# F7SJWAR1 UNITED STATES DISTRICT COURT 1 SOUTHERN DISTRICT OF NEW YORK -----x 2 3 MICHAEL WARD, d/b/a Brainteaser Publications, 4 5 Plaintiff, 6 13 Civ. 7851 JMF V. 7 BARNES & NOBLE, INC., et al., 8 Defendants. 9 10 11 12 July 28, 2015 9:36 a.m. 13 14 15 Before: 16 17 HON. JESSE M. FURMAN, 18 District Judge and a jury 19 20 21 22 23 24 25

F7SJWAR1 APPEARANCES LAW OFFICE OF BARRY E. JANAY, PC Attorneys for plaintiff BY: BARRY ERAN JANAY, Esq. Of counsel ARNOLD & PORTER, LLP Attorneys for defendants LOUIS SHERMAN EDERER, Esq. MATTHEW THOMAS SALZMANN, Esq. SUSAN LEE SHIN, Esq. MAXWELL PRESTON, Esq. - and -GILLIAN BERMAN, In-House Counsel Sterling Publishing Co., Inc. 

1	(In open court; jury not present)
2	THE COURT: You may be seated.
3	(Case called)
4	THE COURT: All right. Anyone else need to note their
5	appearances in the back?
6	All right.
7	MR. EDERER: May we also introduce Gillian Berman,
8	in-house counsel for defendant Sterling.
9	THE COURT: All right. Welcome, Ms. Berman.
10	Let me make sure, and who is the other gentleman?
11	MR. EDERER: That is Mr. Preston from our office, but
12	he will be operating the technical materials.
13	THE COURT: I understand, but I want to ask the
14	prospective jurors if they know any of you. So what is Mr.
15	Preston's first name?
16	MR. EDERER: Maxwell.
17	THE COURT: I also have a Julie Simeone in the back,
18	okay? All right.
19	Very good. A couple of preliminary matters. We
20	should have a jury pool here in a matter of minutes. There are
21	a couple of things I know you have communicated with my law
22	clerk about over the past few days, but I wanted to raise them
23	and also put them on the record.
24	First, I have a matter that requires me attendance in
25	Washington tomorrow afternoon, so I think my law clerk

mentioned I had to change the trial schedule a little bit, for which I apologize. As you know, today we'll be going for the full day until 5:00 o'clock. Tomorrow, in light of that, we are going to end at noon and we'll take just one short break in the morning, and then on Thursday, in order to make up for lost time, we will sit the full day again with, you know, appropriate lunch break and the like.

Now, Friday, if we get there, we will resume my more normal trial schedule, which is to say, 9:00 to 2:30. If we continue into next week, we will continue on that schedule as well. I should tell you when the jury is deliberating, I give the jury the option of remaining past 2:30 so you know that.

Any questions on that?

All right. Now, second, I did receive from you a document of proposed stipulations, basically memorializing the stipulations that were in the joint pretrial order, and pursuant to my direction, that should be essentially a stand-alone document that could be admitted at trial.

I had communicated through my law clerk that I did not want that document to cite to materials that would not be admitted at trial. The document that was sent to me cited to Mr. Ederer's declaration and other things that would not be necessarily exhibits at trial.

So I did ask you, through her, to essentially redo it and remove those citations, and I received a modified version

without citations to things outside of the trial record. Are we set on that? Anything we need to discuss there?

MR. EDERER: No, your Honor.

THE COURT: Mr. Janay, anything?

MR. JANAY: No, your Honor.

THE COURT: All right. Very good.

Now, third, I was advised that the defendants wanted to use or want to use demonstratives in their opening and that plaintiff had an objection that basically objected to their showing the instructions from some or all of the relevant books without showing I think the copyright page or the whole book or something of that nature.

I had indicated, through my law clerk, to the extent that was the objection, it was overruled. Obviously, the full exhibit will be admitted at trial, and I don't think there is any prejudice that arises from showing the instructions, particularly since that is the central gravamen of the claims that were made in the case.

Now, Mr. Ederer, I know that the exhibit that or the document that I was sent has any number of pages, I think it is 26-pages long. Are you intending to show all of that in your opening?

MR. EDERER: No, your Honor. Those are all of the demonstratives we may use during the trial, certainly not nearly all of the ones we plan to show during opening.

THE COURT: What you show during opening should be something that is marked as an exhibit and you anticipate coming into evidence during the trial if you have it.

Anyway, all right?

MR. EDERER: Okay.

THE COURT: Very good. Lastly, I did have one question. As you know, in my preliminary remarks to the jurors this morning, I will give them a brief description of the case just so that they know what it is about and can, therefore, identify any biases or issues or knowledge of the case or the like.

Now, the question I had is whether it might make sense to show them either an actual copy of one of the books involved in this case or a picture of one of them, just on the theory that a juror might recognize it by sight rather than by name. I don't know if you think that is a good idea, bad idea, if we can agree on something to show them or not. I wanted to pose that as a possibility. Mr. Janay?

MR. JANAY: A copy of the book to show the jury?

THE COURT: Yes.

MR. JANAY: I have no objection.

THE COURT: Mr. Ederer?

MR. EDERER: I don't have a problem with that. I want to make sure I understand. Are we just simply going to hold up a book and show it to them or pass it around?

### F7SJWAR1

1	THE COURT: No. I would simply hold it up and say
2	here is an example of one of the books at issue in the case.
3	MR. EDERER: No objection.
4	THE COURT: Does either of you have one? It looks
5	like you have one in your hand. Would you show it to Mr.
6	Janay?
7	MR. JANAY: Sure.
8	THE COURT: All right. That is No. 7?
9	MR. EDERER: That is No. 1.
10	THE COURT: No. 1? Excuse me. I will hold this up
11	when I tell them what the kinds of books involved, just so if
12	they recognize it, that may help.
13	All right. Any other preliminary issues that we need
14	to address? Otherwise, I will sit here and wait for the jury
15	pool to arrive? Mr. Janay, anything on your end?
16	MR. JANAY: No, your Honor.
17	THE COURT: Mr. Ederer?
18	MR. EDERER: No, your Honor.
19	THE COURT: All right. Very good. I will sit here
20	and wait.
21	(Pause)
22	THE COURT: Mr. Janay, the Court Reporter is back. Is
23	there something you wanted to raise?
24	MR. JANAY: Yes, your Honor.
25	THE COURT: Just stand please and speak into the

1 microphone.

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MR. JANAY: Sorry. My client is somewhat hard of hearing, and I just have to ask everybody speak up when they're talking to him and maybe look at him directly so that we know that he's hearing and understanding what we're saying.

THE COURT: How hard of hearing is he?

MR. JANAY: We did some tests yesterday, and he is quite hard of hearing, some anecdotal tests.

THE COURT: Does he have a hearing aid or something?

MR. JANAY: He does not. I don't think he knows sign language. I don't know, either.

THE COURT: This is something that one would want to know before 9:46 on the morning of trial.

MR. JANAY: We did raise it before.

THE COURT: Yes, I know you told my law clerk yesterday.

MR. JANAY: And Judge Maas is well aware of that as well. In fact, scheduling phone conferences for -- he was coming from New Zealand, he was well aware of that.

THE COURT: He'll do the best he can.

MR. JANAY: I ask everyone speak up.

THE COURT: I always ask that everybody speak up. The acoustics in here are bad enough for people who don't have hearing issues. If he can't function and testify, you have to make adequate arrangements to make sure that he can. If you

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1	don't, then you don't and we'll take it as it comes.
2	I will certainly remind people to speak up and speak
3	loudly and clearly and into the microphone, and defense
4	counsel, if you can take note of that, I will appreciate that.
5	MR. JANAY: That is exactly why I am bringing it up
6	now, too.
7	Also really on a secondary note, I noticed on the ECF
8	system that my address and contact information remains the past
9	contact information from over 10 years ago, and in every case I
10	had I put in my new contact information and notice of
11	appearance and asked them to update it, but it still hasn't
12	been updated. I don't know what else to do with that.
13	THE COURT: Call the help desk.
14	MR. JANAY: I have.
15	THE COURT: Call again. I am not involved in that,
16	but it shouldn't be hard to correct.
17	Anything else?
18	MR. JANAY: No, your Honor.
19	THE COURT: All right.
20	(Pause)
21	(Jury Selection was reported but not ordered
22	transcribed)

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(Continued on next page)

(Time noted: 12:20 pm)

THE CLERK: Can you please rise and raise your right hands.

(The jury was empaneled and sworn)

THE COURT: You may be seated. All right. Let me tell you a few things. Again we are going to take a break for lunch. When you come back, I will give you slightly longer preliminary instructions and we will start with the case. I will explain what that means, but basically we'll go into opening statements from the lawyers and then into the first witnesses in the case. For now let me say a couple of things.

First of all, I want you to keep an open mind. You have not heard any evidence at all in this case, so you don't really know anything about it and you don't have any evidence from which you can form a judgment or render a verdict, and I will be repeating these words many times during the trial, basically until the time you are excused to deliberate. You should continue to keep an open mind. Even as you deliberate, you should keep an open mind.

Second, do not talk to anybody about the case. That includes one another. It includes your friends. It includes your family. You may tell your employer, your friends you have been seated as juror in a civil case, but please don't tell them anything else about the case, and that is, as one would imagine, to ensure you don't learn anything about the case or

hear anything other than the evidence that you will see and hear in the court today.

Now, third, you were probably told earlier that you're not supposed to use the cafeteria here in this courthouse or for that matter in the courthouse across the street. I want to remind you of that. The reason for that rule is that it helps ensure you don't run into anyone involved in the case, anyone either who works for the court or any of the parties or their lawyers or witnesses for that matter.

In that regard, my Deputy is telling me you were told you may use the cafeteria across the street in 500 Pearl Street. Why don't I amend what I just said and say you can use the courthouse cafeteria there, but you cannot use the cafeteria in this building, and I will make sure the lawyers and the parties know they can only use the cafeteria in this building and not the one across the street.

In that regard, let me tell you if you do happen to run into any of the lawyers or parties in this case, they have been instructed by me they may not communicate with you in any way, shape or form. If they do not acknowledge your existence, if they don't acknowledge your presence, do not smile at you, don't hold the door for you, don't say anything to you, don't take it personally. They are just following my instructions.

The last thing I will say is when it comes time for you to line up, what I would recommend is that you line up in

the order that you are currently seated, so Mr. Eddy would be Juror No. 1, Mr. Rutkowski is Juror 2, and so on down, as you can figure out.

Now, remember where you are. Remember who is ahead of you, and if you line up in that way, it will make it a little bit easier as you file into the jury box to sit where you are supposed to sit.

It is currently 12:22. So that you can get the preliminary instructions from Ms. Barnes and have an adequate time for lunch, why don't we plan to start promptly at 1:30. I will ask you to be back in the jury room a few minutes before 1:30. So 1:25, at the latest. Ms. Barnes will show you how you should go into and out of the jury room. There is a direct entrance into the jury room area, which is to say, you should not come back into the courtroom just to ensure you don't see or hear anything that is not evidence in this case.

Now, I should also say please don't linger in any of the public areas in the courthouse. You're welcome to stay in the jury room if you like or go out for lunch. If you need to use the restroom, there are two restrooms right by the jury room. You should use those rather than using the public areas in the courthouse, and again that is just to ensure you don't run into anyone that is involved in the case. With that, I thank you. You are excused and please be in the jury room at 1:25.

#### F7SJWAR1

1 MR. JANAY: May I have a sidebar? THE COURT: 2 Not right now. MR. JANAY: 3 It involves the selection process. 4 THE COURT: Not right now. You are excused. 5 (Jury excused) THE COURT: Mr. Janay, if you make a request for a 6 7 sidebar and I say no, the answer is no. Don't repeat it. Don't explain what it is about. The answer is no. 8 9 I was excusing the jurors. If you have something you 10 need to raise, you can raise it now, but there is no need to do 11 that and there was no need to reiterate after I explicitly gave 12 you an answer. What is the issue? 13 MR. JANAY: It involves my failure to raise the Batson 14 objection, and I cycled through my mind and recalled the 15 objection, and I actually do have one. I hope that it is not lost at this point. I want to hear an answer from the 16 17 defendant's counsel as to why the --18 THE COURT: I personally think you have waived any 19 Batson challenge. I gave you an opportunity to make it before 20 the jury was selected, and you said you did not have any motion. I asked if you were satisfied with the jury left over, 21 22 and you said yes. I think you have waived it. If you want to 23 make a record to preserve it for appeal, what is your 24 challenge? 25 MR. JANAY: I note for the record, Jurors 4 and 8 were

the only minority jurors on the panel, and I am curious to hear defendant's rationale, if he has any other rationale, for striking them when, if there is any other basis other than their race.

THE COURT: Well, Mr. Ederer, I think the challenge has been waived. It is not clear to me that he has satisfied the requirements for making out a prima facie case. It is not clear to me they are the only minority jurors in the pool, quite frankly. Out of an abundance of caution, and for the sake of a complete record, do you want to articulate briefly what your grounds for striking those jurors was.

MR. EDERER: Your Honor, it had to do with the level of education and employment and had absolutely nothing to do with the issue of race.

THE COURT: All right. Mr. Janay, do you have any evidence or basis to challenge the strikes on any ground other than their race, or any reason to find that that is a pretext?

MR. JANAY: No. I just note that they appear to be the only ones of colored skin on the jury panel.

THE COURT: Your motion is denied.

Now, please be back here no later than 1:25 yourselves. At 1:30 we will proceed with preliminary instructions to the jury after which we will -- Mr. Janay, please put your electronic device away. Thank you -- after that, we will proceed directly into opening statements.

#### F7SJWAR1

If you would like to move the podium so that it is directly in front of the jury box so that you can address the jury, you are welcome to do that. Then after opening statements, we will proceed directly into the first witness called by the plaintiff. I will see you shortly before 1:30. Thank you.

(Luncheon recess)

(Continued on next page)

## AFTERNOON SESSION 1 2 (1:30 p.m.)3 THE COURT: Ms. Barnes will get the jury and we will proceed on preliminary instructions and then openings. 4 5 Mr. Janay, did you want to move the podium? MR. JANAY: Sure. 6 7 THE COURT: How long do you expect your opening to be, 8 Mr. Janay. 9 MR. JANAY: No more than ten minutes. 10 THE COURT: Mr. Ederer, are you opening for defendants? 11 12 MR. EDERER: Yes, your Honor. 13 THE COURT: How long do you expect your opening to be? 14 MR. EDERER: 15 to 20 minutes, your Honor. 15 THE COURT: All right. Thank you. 16 MR. EDERER: Your Honor, may I just raise an issue we 17 do have some demonstratives that we wanted to show during opening. We wanted to make sure that the monitors are working. 18 19 THE COURT: They will be. 20 21 22 23 24 25

(Jury present)

This case is now on trial officially.

As I stated earlier, the trial is scheduled to last no more than a week, so it should end at the latest early next week. We will begin tomorrow and any additional days at 9:15 sharp. To help ensure that we can start on time please be in the jury room each morning by 9 a.m. at the latest so that we can begin without delay.

As an enticement for you to be on time, I have arranged for some breakfast and coffee for you to be in the jury room. I should note that we can't begin, and I will stress this later as well, we can't begin until all eight of you are here.

So, please, out of respect not only for the trial participants but for your fellow jurors, please try to be on time.

Unfortunately, for a variety of reasons, when we end each day is going to vary a little bit over the course of the trial. For example, tomorrow I am unable to preside over the case in the afternoon so we will only be sitting in the morning, and we will end at noon, while on Thursday we will sit for the whole day, that is, until 5:00 p.m.

I will address the schedule thereafter as we get

there. I want to let you know that now so that you can plan accordingly.

Now that you have been sworn, let me give you some instructions about your duties as jurors. At the end of the trial, I will give you more detailed instructions, and those instructions will control your deliberations in this case, but for now let me explain how the trial will proceed. If you can listen carefully that would be great.

The first step in the trial, as I mentioned earlier, will be opening statements.

First, the plaintiff's lawyer, Mr. Janay, will make an opening statement. Then the defendant's lawyer, Mr. Ederer, will make an opening statement. Opening statements are neither evidence nor argument. They are simply outlines to help you understand the evidence as it is presented.

After opening statements, the plaintiff will present his evidence. The plaintiff's evidence will consist of the testimony of witnesses as well as documents and exhibits.

The plaintiff's lawyer will examine the witnesses and then the defendant's lawyer may cross-examine them. Following the plaintiff's case, the defendants may present a case as well. The plaintiff's lawyer will then have an opportunity to cross-examine any witnesses testifying for the defendants.

After the presentation of evidence is completed, the lawyers will deliver their closing arguments to summarize and

interpret the evidence.

Just as the lawyers' opening statements are not evidence, their closing arguments are not evidence either.

Following closing arguments, I will instruct you on the law.

Then you will retire to deliberate on your verdict, which must be based solely on the evidence presented at trial.

All eight of you must agree on any verdict, and while that verdict will obviously be made public, your deliberations are and will remain secret. You will never have to explain your verdict to anyone.

It is important to remember that this is a civil case. As I mentioned during jury selection, you may have heard of the beyond-a-reasonable-doubt standard that applies in criminal cases. That requirement does not apply to a civil case, and you should put it entirely out of your mind. In civil cases, the burden is different, and it is called proof by a preponderance of the evidence.

To establish facts by a preponderance of the evidence means to prove that the facts are more likely true than not true. I will, however, instruct you fully on the burden of proof after all of the evidence has been received.

Now let me explain to you the jobs that you and I are to perform during the trial.

I will decide which rules of law apply to the case. I will decide that by making legal rulings during the

presentation of the evidence and also, as I told you, in giving the final instructions to you after the evidence and arguments are completed.

In order to do my job, I may have to interrupt the proceedings from time to time to confer with the lawyers about the rules of law that should apply here. Sometimes we will talk here at the sidebar at the bench outside of your hearing, as you saw us do during jury selection a couple of times. Some of the conferences may take more time than others, and so as a convenience to you I may excuse you from the courtroom.

I will try to avoid any such interruptions as much as possible, but please be patient and understand that those conferences are not only necessary to ensure the fairness of the trial, but they often help to make the trial go faster.

While I decide the law that applies to this case, you, ladies and gentlemen of the jury, are the triers of fact. You will weigh the evidence presented and decide whether the plaintiff has proved by a preponderance of the evidence that a defendant is liable to him. You must pay close attention to all of the evidence presented, and you must base your decision only on the evidence in the case and my instructions about the law.

What, then, is evidence?

Evidence consists only of the testimony of witnesses, documents, and other things admitted as evidence or

stipulations agreed to by the parties.

Some of you may have heard the terms circumstantial evidence and direct evidence. Do not be concerned with those terms. You are to consider all of the evidence given in the trial.

Certain things are not evidence and must not be considered by you. The following is a list of what is not evidence:

First, arguments, statements, and questions by the lawyers are not evidence, nor are statements that I make or questions that I may ask of a witness.

Second, objections to questions are not evidence.

The lawyers have an obligation to make an objection when they believe evidence being offered is improper under the rules of evidence. You should not be influenced by the objection or by my rulings on any objection. If the objection is sustained, ignore the question and any answer that may have been given. If an objection is overruled, treat the answer as you would any other. If you are instructed that some item of evidence is received for a limited purpose only, you must follow that instruction.

Third, testimony that I exclude or tell you to disregard or strike is not evidence and must not be considered.

Fourth, anything you have seen or heard outside the courtroom is not evidence and must be disregarded. You are to

decide this case, as I mentioned several times during jury selection, based solely on the evidence presented here in the courtroom.

There is no formula to evaluate testimony or exhibits. For now suffice it to say that you bring with you into this courtroom all of the experience and background of your lives. Do not leave your common sense outside the courtroom. The same types of tests that you use in your everyday dealings are the tests that you should apply in deciding how much weight, if any, to give to the evidence in this case.

The law does not require you to accept all of the evidence admitted at the trial. In determining what evidence you accept, you must make your own evaluation of the testimony from each of the witnesses and the exhibits that are received in evidence.

It is essential, however, that you keep an open mind until you have heard all the evidence in this case. A case can be presented only step by step, witness by witness before all evidence is before you.

As you know from experience, you can hear one person give his or her version of an event and think it sounds very impressive and even compelling and yet, upon hearing another person's version of the same event or even the same person cross-examined with respect to the event, things may seem very different.

In other words, there may be another side to any witness's story. You should use your common sense and good judgment to evaluate each witness's testimony based upon all of the circumstances.

Again, I cannot emphasize too strongly that you must keep an open mind until the trial is over. You should not reach any conclusions until you have all of the evidence before you.

Finally, let me caution you about certain rules and principles governing your conduct as jurors in this case.

First, as I already told you, you must not talk to each other about this case or about anyone involved in this case, until the end of the case when you go to the jury room to decide on your verdict.

The reason for that requirement is that you must not reach any conclusion on the claims or defenses until all of the evidence is in. As I have said, keep an open mind until you start your deliberations at the end of the case.

Second, as I also told you, do not communicate with anyone else about this case or anyone who has anything to do with it until the trial has ended and you have been excused as jurors.

Anyone else includes members of your family, your friends, and your employers. And no communicating about the case means no communicating in person, by telephone, on

Facebook, Twitter, Google, blogs, whatever form of communication you might use at all.

As I told you earlier, you may tell your friends and family and employers that you are a juror in a civil case, but please do not tell them anything else about the case until you have been excused.

You may think that tweeting something or posting something about the case is harmless, but I can assure you that it isn't, and that if you do anything like that it will be a major inconvenience to everyone involved in the trial and especially to you, so please do not do it.

Third, do not let anyone talk to you about the case or about anyone who has anything to do with the case. If any person should attempt to communicate with you about this case at any time throughout the trial, either in or out of the courthouse, you must immediately report that to my deputy, Ms. Barnes, and to no one else.

When I say report that communication to no one else, I mean that you should not tell anyone, including your fellow jurors. To minimize the probability of any such improper communication, it is important that you go straight to the jury room when you come in in the morning and after any lunch break and that you remain in the jury room for the duration of the trial day except for the longer lunch breaks.

You should use the bathrooms, as I mentioned, in the

hallway right outside the jury room rather than the bathrooms on this floor or any other public bathrooms. And, as I told you earlier, you may not use the cafeteria in this building, although you may use it across the street at 500 Pearl Street.

And, finally, as I also told you, you should not linger in the public areas of the courthouse on this floor or elsewhere.

Now, I would say to the extent that you can, except when we take longer breaks for lunch, you should remain in the jury room, if you can, both to ensure that we can begin promptly and also to avoid any encounters with folks involved in the case.

Fourth, do not do any research or investigation about the case or about anyone that has anything to do with the case on your own. Don't go visit any place described in the trial, don't read or listen to or watch any news reports about the case, don't go on the Internet or use whatever digital or communications device it is that you use to see what you can learn to inform yourself about this matter.

That is because, as I told you, your decision in this case must be based solely on the evidence presented at the trial. In other words, all that you need to know will be presented here in open court by the parties.

I expect you to inform me immediately through

Ms. Barnes if you become aware of another juror's violation of

these instructions.

Finally each of you has been given a notebook and a writing implement. That is because I permit jurors to take notes, but you do not have to take notes. Notes are just an aid to your own recollection. The court reporters in this case, as you have seen, are recording everything that is said in the courtroom, and any portion of the testimony can be read back to you during your deliberations.

If you do take notes, be aware that note-taking may distract you from something important that is happening on the witness stand. Whether or not you take notes, rely on your own recollections and don't be influenced by the fact that another juror has taken notes.

If you do take notes, all notes must be left each day in the jury room. Ms. Barnes will make sure that they are secure there.

From this point until the time you retire to deliberate, it is your duty not to discuss the case and not to remain in the presence of other persons who may be discussing the case.

In that regard, again I want to remind you that you should understand that the parties and the lawyers in this case have been instructed by me not to have any contact with you. So if you happen to see any of them outside the courtroom and they do not acknowledge you, do not take offense. They are not

being rude. They are, as I told you, just following my instructions.

That concludes my preliminary instructions to you.

Now we will begin with the initial stage of the case, which, as

I mentioned, is opening statements, and we will begin with the

opening statement of the plaintiff, by Mr. Janay.

So at this time I will ask each of you to give your undivided attention to Mr. Janay and then to defense counsel as they make their opening statements.

Mr. Janay.

MR. JANAY: Good afternoon, ladies and gentlemen of the jury. I would first like to say thank you to each and every one of you for being here today and performing this civic duty. You know, it is extremely important in our democratic society that we have people like you who have taken the time out of your lives, and I just want to say that I'm very grateful.

Now, you are all here today to be the triers of fact and to make some determinations as to some simple things. It will all come down to questions of what's right and what is wrong at the end when you make your decision.

I represent Mike Ward, who is the person sitting right here. And he is an author. He is the originator and creator of a book that is a unique book that involves a single-player scratch hangman game that you scratch off letters like a

1 lottery ticket to reveal the underlying words.

Now, Mike is from New Zealand, and he originated or he created this book maybe 2000 or before then. The evidence will show the exact date. The book was wildly successful in New Zealand. He filed a provisional patent application for that book, and later — in New Zealand copyright is an automatic right. Once you publish a book, it becomes your ownership. You own that.

So he self-published the book in New Zealand and sold I believe over a million copies. He's going to testify to all of this.

When his distributor in New Zealand said that, you know, these books are great, but New Zealand is a small market you should go and try to find someone in the United States to publish and distribute your book, he sent out mailers. One of his mailers was sent out to a defendant in this action named Sterling Publications. Sterling is a wholly owned subsidiary of Barnes & Noble Incorporated.

The editor at large or chief editor of Sterling says in a New York Times article that once he opened up the letter from my client showing the manuscript for these books, these single-player scratch hangman books —— I'm sorry, Mr. Peter Gordon is his name, and he was the editor for the puzzle division of Sterling Publications, which was called Puzzlewright Press.

In any event, he opens the envelope from my client and says immediately he knew this would be an enormous success in the U.S. market. So they came to terms of contract, whereby they would produce a minimum of two books annually, two of these books tentatively to be entitled Scratch Hangman with Mike Ward as the author and proprietor of the books.

They started producing these books. In the contract it said that Sterling would be obtaining copyright registrations on behalf of Mr. Ward in his name for the books. It didn't say whether it was text entire text or whatever, but Sterling did, in fact, obtain copyright registrations in Mr. Ward's name on his behalf for the text of the books.

The books sold I believe over one and a half million, maybe two million copies in the United States, very popular books, selling for about \$6 a book. So this is a series that obviously the defendants care a great deal about.

Mr. Ward would supply the materials for these books — well, supply, I should say he supplied the original manuscript for the book and the concept, of course. You are going to hear a lot from the defendant about the concept and how you can't copyright an idea.

In fact, the issues in this case have basically been narrowed down so much through the three years of litigation that we have had to just --

THE COURT: Sustained. Counsel, move on.

We have an issue in this case of who is the author,

MR. JANAY: OK.

the instructions of the books.

Now, Mr. Ward has continuously claimed that he is the

who is the author of the copyrighted work, which is limited to

author, and in fact the contract says author, lists him as author.

So, now, the defendants, how did they injure Mr. Ward?

After I think six years or so, from 2004 to 2010 or

'11 they had the two books per year. It went up to four or

five books a year at some point because they were so

successful. But in 2010 they made a decision to start

producing the same Scratch & Solve Hangman books with their own

employees listed as the author. Obviously, this upset

Mr. Ward.

They used two of their own employees who are now defendants in this action as well. One is named Patrick Blindauer and the other is named Francis Heaney, who were listed as authors of these Scratch & Solve Hangman books. And then they started even more brazenly using a pseudonym, a name they just made up out of thin air to be the author of Scratch & Solve Hangman books.

Mr. Ward attempted to resolve this amicably with Sterling.

THE COURT: Sustained.

1	MR. EDERER: Thank you, your Honor.
2	THE COURT: The jury will disregard that last comment.
3	MR. JANAY: They were unsuccessful in this is what
4	resulted in the lawsuit. The fact that the publisher of
5	Mr. Ward's books had turned their back on him and started
6	producing the same books with other authors' names and a
7	pseudonym.
8	That brings us to this lawsuit and why we're here
9	today, and hopefully not here past Friday. I know the judge
10	has said this might go on for a week, but I don't think it will
11	go until Friday, just to give you some peace of mind.
12	So I guess I will summarize by saying this is a true
13	case of David versus Goliath. We are fighting a Fortune 500
14	MR. EDERER: Objection.
15	THE COURT: Sustained.
16	MR. EDERER: Thank you.
17	MR. JANAY: Mr. Ward is a humble man from New Zealand
18	who cares a great deal about the work that he has produced and
19	would like to see his grievances redressed.
20	I thank you very much for giving us the opportunity to
21	present the evidence to you today and the next few days.
22	THE COURT: Thank you.
23	Mr. Ederer.
24	MR. EDERER: One moment, your Honor.
25	Good afternoon, ladies and gentlemen. My name is

Louis Ederer, from the law firm of Arnold & Porter here in New York, and we represent the defendants in this case, which as you have you have heard include the well-known bookseller, Barnes & Noble, and the publishing company that Barnes & Noble owns, which is Sterling Publishing.

I would like to introduce you to my colleagues here,

Matt Salzmann from Arnold & Porter Susan Shin from Arnold &

Porter, and seated next to Susan is the in-house lawyer from

Sterling Publishing Gillian Berman, who will be joining us for

the duration of the trial.

I want to start out by thanking you for your service here today. We realize it's taking you away from work, from personal matters that you may need to tend to, but it is very important to us and to our legal system, and my clients thank you for that and for your close attention to this very important matter.

Ladies and gentlemen, I would like to make something perfectly clear to you right now. We need to establish right here and now before you hear the in evidence this case what this case is about and what it is not about.

Let me say this to you, and I will ask you to keep this in mind as you listen to the evidence. This case is not about what Mr. Janay and his client would like you to think it is about.

(212) 805-0300

This case is not about whether my clients required Mr.

Ward's permission to use his idea for a hangman game. What this case is about, and virtually the only thing it's about, the key issue for you to decide is whether my clients violated U.S. copyright law by using any copyrighted material owned by Mr. Ward without his permission.

In this case, the only thing that could possibly be is the single page of instructions in these hangman books that you have heard about. That is right. The single page of instructions that appear on page 3 of the book entitled How to Play Hangman.

This is a 96-page book, and 95 out of 96 pages contain -- or 93 contain puzzles and there is one page of instructions. That is virtually the only thing that this case is about, is that single page of instructions. So there will be two simple questions that you will be asked to decide at the end of this trial with respect to this claim.

First, you must decide whether Mr. Ward is even the author of the instructions that appear in the hangman books that Sterling put out under his name.

And don't be fooled. It doesn't matter that Mr. Ward may have come up with the idea for this single-player hangman game. That doesn't mean he was the author of the instructions. No. In order to be considered the author of the instructions, Mr. Ward must have written the instructions.

What you are going to hear unequivocally from the

Sterling witnesses is that Mr. Ward did not write the instructions that appear in the hangman books that Sterling put out under his name.

In fact, Sterling wrote the instructions. Again, just because Mr. Ward approached Sterling with his idea for a single-player hangman game, and just because he had previously published some single-player hangman games in his home country of New Zealand and written some instructions for them, that doesn't mean he had anything to do with writing the instructions that appear in the books that Sterling published under his name here in the United States. In fact, all of the evidence will be to the contrary.

As you will hear from Sterling's employee, Peter Gordon, who is the head of Sterling's puzzle and game division, and who was involved with Mr. Ward right from the beginning of his relationship with Sterling, Sterling wrote the instructions that appear in the hangman books Sterling put out under Mr. Ward's name.

Not only that, but back in 2005, when Sterling first sent a draft of the instructions to Mr. Ward, he objected to them, saying that Sterling had completely changed the game and that what Sterling had sent him wasn't even his game anymore.

So don't be misled.

Now Mr. Ward wants you to believe that just because, according to him, the single-player hangman game in these books

F7snwar2 Opening - Mr. Ederer was his idea that means he somehow wrote the instructions in 1 2 the Sterling books. 3 No. As you heard from Mr. Janay you can't copyright an idea. You are not the author of something you didn't 4 5 actually write yourself. 6 7 8 9 or the idea for the game. That is not enough. 10 11 12

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It's that simple. Here the evidence will clearly show that Mr. Ward did not write or contribute anything to the instructions that appear in these books other than the concept

The only thing he actually wrote, the only words or text Mr. Ward ever contributed to these books, as the evidence will show, are the words that comprise the solutions to the individual hangman puzzles, what we call the game words.

You will hear that expression throughout the trial, the game words. You will hear the evidence on this, Mr. Ward's only contribution to the text of the hangman books that Sterling put out under his name was to provide Sterling with lists of words that were the solutions to the individual hangman games, which by the way Sterling is not accused of infringing in this case.

But he did not write the instructions. So, remember this case is about the instructions. It's the instructions my clients are accused of infringing.

So the first thing you will be asked to decide is whether Mr. Ward was even the author of the instructions, and

in order for you to make that determination, you would have to find that he actually wrote them.

As you will hear from the defendant's witnesses over the next few days, Mr. Ward had nothing to do with writing the instructions. So, as far as we are concerned, this is pretty much an open-and-shut case. Like I said, you are not the author of what you didn't write, and the evidence will show that Mr. Ward did not write the instructions he comes into court claiming to own.

What this means is that Sterling had every right to use these instructions in the hangman books they later put out under other author's names. That's because they wrote the instructions.

Let's take a quick look at the instruction that this case is all about and that you will be seeing through the trial. I think once you actually see the instructions you will understand exactly what I am talking about, that Mr. Ward contributed nothing to them other than the idea for the game, which they tell you how to play.

Even though the game is pretty much self-explanatory anyway, it's hangman. For goodness sakes, everyone knows how play hangman. That is the whole point of these books. The evidence will show that Mr. Ward didn't actually write the instruction, and therefore my clients didn't infringe any copyright in them.

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So, let's take a look.

First, what we see here, and hopefully you have something up on your screen right now, are the instructions that Mr. Ward wrote for some hangman books he published in New Zealand in the early 2000s, before he ever got in touch with Sterling about publishing any books in the United States.

Now, understand these are not the instructions that are involved in this case or any of the instructions that Mr. Ward is claiming that my clients infringed.

The reason I am showing you these instructions is because they are the only instructions we know of that Mr. Ward ever actually wrote himself. But this particular set of instructions, these particular words never appeared in any books put out by Sterling in the United States.

Instead what Mr. Ward seems to be saying is that these instructions are similar in concept or in theme to the instructions that Sterling wrote, and that somehow means that he is now the author of these instructions.

But, as you will hear over and over again in this case, and as Sterling actually told Mr. Ward when they first talked to him about publishing hangman books under his name, you can't copyright an idea, only the particular way that you express that idea, the words that are actually written on a piece of paper. In particular, you simply can't copyright the idea of haw to play the game of hangman.

So the only reason I'm showing you these instructions from Mr. Ward's New Zealand book is to make sure you can clearly see how different they are from the instructions that Sterling wrote when they were preparing to put out books under Mr. Ward's name back in 2005.

OK. Can you show the next one. OK.

So here's the instructions that Sterling wrote back in 2005 after signing its first publishing agreement with Mr. Ward.

As you can see, other than generally explaining how to play the game, and there's only so many ways you can explain to somebody how to play the game of hangman, the words that appear in these instructions, which were written by Sterling employees, bear no resemblance to the words used in the instructions appearing in Mr. Ward's New Zealand book.

In fact, the game Sterling was describing had different rules from the game Mr. Ward was describing in these New Zealand book. In his New Zealand book Mr. Ward was giving the player ten wrong answers before the player was hanged. But Sterling was only giving the player six wrong answers.

So we are not only talking about a different set of instructions, but a different way to play game. In fact, as you will see from the evidence, these changes to the basic rules of the game so concerned Mr. Ward that after receiving Sterling's draft set of instructions in 2005, what we call the

proofs, he wrote back to Sterling and said, Why did you do this? You're changing my whole game.

But, in any case, there's no doubt that Mr. Ward didn't write the instructions that you are looking at. In fact, he contributed nothing to them. So whatever copyright he ended up owning in the text of these books was limited to the only words he actually contributed, and as the evidence will show, the only words Mr. Ward ever contributed to any of the books that Sterling without out under his name were the game words and only the game words. He simply did not write the instructions in any of the hangman books that Sterling put out under his name.

You will see and hear as the evidence is presented to you over the years Sterling made a few updates and modifications to the instructions that it wrote for the hangman books that it put out under Mr. Ward's name, the ones you are looking at.

But what's important to remember is that, first, all of these revisions were made to the original set of instructions that Sterling had written, the instructions we just showed you; and, second, all of them are written by Sterling, not by Mr. Ward.

So once again, as you will hear, the only thing

Mr. Ward ever contributed to these books were the game words

and some general concepts and ideas. This is very important so

keep it in mind as you're listening to the evidence.

You cannot be the author of an idea. You are only the author of the particular way that the idea is expressed in actual words. As you sit through this trial, Mr. Ward may tell you, well, this was my idea or that was my idea. But the one thing you won't actually hear him say when it comes to the instructions is, yes, I wrote that. I actually wrote those words. And I can show you where I wrote them. He will not be able to do that.

And if he can't do that, then guess what?
He's not the author of the instructions.

Now, if and only if you were to decide that Mr. Ward was the author of these instructions, only then would you be asked to decide the second issue, which is whether the instructions that Sterling used in the five hangman game books that it put out under the names of other authors infringe any version of the instructions that appear in the hangman books that Sterling put out under Mr. Ward's name.

So, as you have heard, there are five of these books all together. We will call them the accused books.

One was written by Mr. Francis Heaney, a Sterling puzzle book editor who you will hear from.

One was written by Mr. Patrick Blindauer, another Sterling puzzle book editor who you will also hear from.

And three were put under the name Jack Ketch. Jack

Ketch is just a historical name, an executioner from the 1600s, an actual hangman, if you will. And this is what also called a pseudonym in the publishing industry.

As to these three books, Sterling's employee, Peter Gordon, the head of the puzzle book division as well as Mr. Heaney and Mr. Blindauer, all had a hand in putting those three Jack Ketch books together.

As you will hear from Mr. Heaney and Mr. Blindauer, the instructions that appear in the books published under their names were actually written by them. Not only that, they are completely different from any of the instructions in the books put out by Sterling under Mr. Ward's name.

As you will see there is a good reason for that. In the books that Mr. Heaney and Mr. Blindauer wrote, the games themselves are different. They are not just hangman books there is a trivia component to the game as well, and so the instructions needed to be different in order to explain the trivia component of the game.

So if we could just put up on the screen the first slide.

You see here is Mr. Heaney's book called Trivia

Hangman. You can see that the instructions for that book are
completely different from any of the instructions I showed you
previously.

The reason for that is that he's explaining in detail

the trivia component of the book as opposed to the hangman
component.

That's the second and third paragraphs of those
instructions.

Let's put up the Blindauer instructions.

Here's Mr. Blindauer's book, called Hollywood Hangman, which is also one of the accused books in this case.

Once again, you can see that there is a trivia component to the book. The entire second paragraph of these instructions explains the trivia component of the book, and so, once again, completely different from anything that Sterling used in the books published under Mr. Ward's name.

Now, as for the Jack Ketch books, well, it's true that the instructions in those books are the same as the instructions in some of the hangman books that Sterling had put out under Mr. Ward's name, but there is a reason for that.

As you will hear, Sterling believed it had the perfect right to do that, since those instructions were written by Sterling, and once again, those instructions look nothing like any instructions Mr. Ward ever wrote for his New Zealand books or anything else.

So at the end of the day, after you hear all the evidence, and you can sit down and look carefully at the instructions we have been talking about, there's only one conclusion we believe you can draw, that is, Mr. Ward did not

write the instructions in the Sterling books. All he ever contributed to those books were the game words.

Instead, it was Sterling who wrote the instructions on how to play this game, which looked nothing like any instructions Mr. Ward ever wrote for his New Zealand books or anything else.

In fact, as I mentioned earlier, he objected to those instructions. And since Mr. Ward didn't write any of the instructions that appear in the Sterling books, he is not the author of the instructions and he can't be considered to be the copyright owner of them.

If he doesn't own the copyright in the instructions that appear in the Sterling books, then there aren't any circumstances under which my clients can be said to have infringed that copyright, and that is the end of the story and the end of that claim, and that's what we think you will have no choice but to conclude when you hear the evidence.

Now I want to just very briefly touch on one other subject. It is an issue that I have to talk to you about because we are here at the beginning of the case, and it is an issue that we trust you won't ever have to get to in this case after you hear all the evidence and after judge Furman instructs on you on the law, and that is the issue damages.

But Mr. Ward is making a claim of damages in this case, so at this point in the case I need to talk to you about

that.

Like most court cases, there are two parts to this case, the part on which is called liability and the part on damages.

In this case if you decide, as we believe the evidence will show, that Mr. Ward didn't write the instructions that appear in the hangman books that Sterling put out under his name, and even if he had, that my clients didn't infringe those instructions, that's it. Game over. You will not be asked to consider the issue of damages.

But in the unlikely event that you were to find infringement, then you would have to consider what damages, if any, Mr. Ward might be entitled to.

We think to the extent you even get to the point of considering that issue, that after you hear all the evidence, and keeping in mind that the only portion of the accused books that could have possibly infringed any rights owned by Mr. Ward is the single page of instructions in those books — that's right. One page out of 96. So we think you will find that Mr. Ward has suffered no damages that in any way relate to those instructions. That's right. I said no damages.

It's very important that you keep in mind what I just said. The question here is not what damages Mr. Ward may have suffered as a result of the sale of these five books that he's complaining about. The question is what damage, if any, did

Mr. Ward suffer that's related to the single page of instructions that appear in those five books.

The testimony that you will hear in this trial is that the instructions are of little to no value at all to the purchasers of these books. They barely even look at them.

What the evidence will show is that people buy these books why? Because they want to play the games. They don't buy these books for the instructions.

In fact, as you will hear from the Sterling witnesses, if you're familiar with the game of hangman, which most people who buy these books presumably are, you can figure out how to play this game in a matter of minutes even without the instructions.

You will be able to test this out for yourself when you retire for your deliberations. Just play one practice game, and you will know how to play it.

Of course, as you will hear from the Sterling witnesses, even if you read the instructions as a first-time purchaser of one of these books, you will never have to read them again, because even if you end up purchasing ten more books, it's the same hangman game you already how to play.

Apparently you are going to hear some testimony from Mr. Ward about the's damages he claims to have suffered as a result of the sale of these five books, even though he won't be able to articulate to you in dollars and cents what those

damages are.

Instead you will hear some vague testimony that he's been hurt in some unquantified way, that this has somehow affected his livelihood.

By the way, even though he waited three years to bring this lawsuit and he's been free to sign with another publisher for all three of those years, and to put some context to all of this, as you will hear from ones of Sterling witnesses, Sterling sold a grand total of approximately 31,000 units of the five accused books, with sales in the neighborhood of about \$70,000 and profit of less than \$8,000. That's right, Sterling made less than \$8,000 on the sale of these five books.

As you will hear, if Mr. Ward had been the author of these five books, which he wasn't, the most he would have received in royalties would have been around \$10,000.

But remember that's not even the issue here. The issue is not what damages, if any, Mr. Ward suffered as a result of Sterling's sale of the five books as a whole. The issue is what damages, if any, did Mr. Ward suffer as a result of Sterling's use of the instructions in those books.

And aside from the fact that, as you have seen in at least two of the five books, the books authored by Mr. Heaney and Mr. Blindauer, the instructions look nothing at all like the instructions Mr. Ward claims to have written.

The answer is that the instructions have no value to

any of the hangman books put out by Sterling. So the evidence is going to show you that Mr. Ward suffered zero damages, that is, he suffered no monetary loss whatsoever as the result of my client's use of the instructions in the five accused books.

So remember this as you are listening to the evidence. The question is not how much money, if any, Mr. Ward lost as the result of the sale of the five books, which he won't be able to quantify for you anyway. The question is how much money Mr. Ward lost as the result of Sterling's use of the instructions in those five books.

Mr. Ward is the author of the instructions that appear in the hangman books that Sterling put out under his name, which as the evidence will show he was not, and that the instructions in the five accused books infringed his alleged copyright in the instructions that appear in the books put out under his name, which the evidence will show they didn't, nevertheless, as the evidence will also show, Mr. Ward lost no money as a result of Sterling's use of these instructions in the accused books.

So I hope I have been able to simplify this case for you here today, and I want to thank you again for your attention and your service and I look forward to speaking to you again at the end of the case.

Thanks.

THE COURT: Thank you very much, Mr. Ederer.

Mr. Janay, please call your first witness. 1 MR. JANAY: Plaintiff calls Mike Ward to the stand. 2 3 THE COURT: Mr. Ward, if you can make your way right 4 here, please. 5 MIKE WARD, 6 the Plaintiff herein, 7 having been duly sworn, testified as follows: 8 THE COURT: Speak about that far from the microphone, 9 please. 10 Can you spell and state your name, please. 11 THE WITNESS: Sometimes I have a bit of difficulty 12 with accents, so I can hear you reasonably well. 13 THE COURT: OK. But can you just state your name and 14 spell it. 15 THE WITNESS: Oh, my name is Mike Ward. I am an author and I come from New Zealand. 16 17 THE COURT: Mr. Ward. 18 All right. I think we know how it is spelled. Mr. Janay, why don't you proceed. 19 20 You can use the podium. 21 MR. JANAY: Oh. 22 DIRECT EXAMINATION BY MR. JANAY: 23 24 Q. Good afternoon, Mr. Ward.

You have traveled halfway around the world to bring

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1 | this case to court. Can you explain why you have done this.

MR. EDERER: Objection, your Honor.

THE COURT: Sustained.

THE WITNESS: Am I allowed to review my notes?

THE COURT: You are not allowed to refer to your notes, and I sustain the objection. So ask your next question,

please.

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BY MR. JANAY:

Q. Mr. Ward, could you explain the background of how you came up with the creation of scratch hangman books.

THE WITNESS: Again, your Honor, am I allowed to refer to my notes?

THE COURT: You are not.

THE WITNESS: Pardon?

THE COURT: You are not.

THE WITNESS: I am not allowed to?

THE COURT: Mr. Janay has asked you a question. You can answer the question.

THE WITNESS: It is very difficult without referring to my notes because there is a lot of technical details that I have written down to jog my memory. To do it without having a look at my documents is going to be very difficult. That's why I would ask the Court if I am allowed to access my notes.

THE COURT: Mr. Ward, counsel has asked you a question. You can answer the question in whatever way you

think is appropriate.

If counsel has another question or counsel think it's proper to show you something, then he will do that. But answer the question, please.

THE WITNESS: I am not allowed?

THE COURT: Just answer the question, please.

THE WITNESS: Barry, can you state it again.

## BY MR. JANAY:

- Q. Can you now explain the background of how you came up with the creation of the scratch hangman series.
- A. The best I could probably explain is how I came up with the idea in the first place. I have always been a writer. Most of my life and one day the editor of a local newspaper came to me and asked me if I wanted to contribute to the crossword.

I said, yes, I would give it a go. That ran for about 20 years. They came back again and said that what I should do is produce a puzzle book, because of the popularity of the crosswords were quite good. This I did and unfortunately it turned out to be a disaster and I lost money on the venture.

Upon --

MR. EDERER: Your Honor, objection.

A. -- analyzing.

MR. EDERER: Move to strike. It is not responsive.

THE COURT: Overruled. Mr. Janay, ask your next question, please.

MR. JANAY: I don't think he answered the question there.

THE COURT: You have to ask a question so that he can answer. I don't want to ask a question that elicits a 45-minute answer. That is not the way this is supposed to work. All right.

Ask him a question and he can answer it and you can ask another question if you like.

BY MR. JANAY:

- Q. Mr. Ward, when did you excrete the scratch hangman series?
- 11 | A. Sorry?

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- 12 | Q. When did you excrete the scratch hangman series?
- 13 A. That was straight after I analyzed the crossword books and
  14 found out why it actually was a disaster.

It was at that time that I thought that there must be another style of puzzle book that nobody else has thought of that would give me the ability to create, get copyright protection so that nobody else could take away my creation.

- Q. Around what year was that?
- 20 | A. Yeah.

So after quite a while --

22 THE COURT: Mr. Ward.

- 23 | A. -- investigating different things --
- 24 THE COURT: Mr. Ward.
- 25 | A. -- I came --

THE COURT: Mr. Ward, am I correct you have a little trouble hearing.

Is that correct?

Do you have trouble hearing?

THE WITNESS: Sometimes with the accents I do. It's the New York accent that I find sometimes difficult. It is the same people might find it hard to hear my accent. When if they came to New Zealand, they might find it hard to understand us down there. It is more the accent than anything.

THE COURT: You need to listen to the question that the lawyer asked you and just answer that question. So he just asked you when you came up with the idea for the scratch and solve books. The answer is approximately what year? You don't have to then give more information. If he wants you to give more information, he'll ask you another question.

All right. So make sure you listen carefully and just answer the question that you are being asked, Mr. Janay.

BY MR. JANAY:

- Q. Mr. Ward, when did you come up with the scratch hangman series?
- || A. What year?
- 22 | Q. Yes.

- A. 1994 is when I registered for a government date stamp in New Zealand.
- MR. EDERER: Objection, your Honor.

1 THE COURT: Overruled.

- Q. OK. That is fine.
- 3 A. Yes.

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- 4 | Q. That's when you registered.
- 5 A. Carry on?
- Q. That leads me to my next question. What steps did you take to protect the scratch hangman series?

8 MR. EDERER: Objection.

THE COURT: Sustained.

- A. What date did I start the scratch series?
- 11 Q. You don't have to answer that.
- 12 A. Basically is that what you are asking?
- 13 THE COURT: Mr. Ward.
- MR. JANAY: That question is stricken.
- 15 A. It is a pity you can't come a bit closer, and then I can
  16 hear you real good.
- 17 MR. JANAY: I will speak louder into the microphone.
- 18 THE COURT: Why don't you move the podium maybe a foot
  19 or two forward. Hopefully Juror No. 6 will be able to see
- 20 anyway.
- 21 THE WITNESS: That might be better. That is the
- 22 | volume, is it?
- 23 BY MR. JANAY:
- Q. Mr. Ward, the instruction page to the scratch hangman books
- 25 are at issue in this case.

Can you explain your involvement in the creation of the instruction page and the relevance of the instruction page to the scratch hangman books?

MR. EDERER: Objection.

THE COURT: Sustained as to form.

A. I was the author --

THE COURT: Mr. Ward, if I just sustain an objection, you don't answer.

OK. The jury will disregard that answer.

BY MR. JANAY:

- Q. Mr. Ward, can you explain your involvement in the creation of the instruction page of the scratch hangman books?
- A. I was the author of it. I created the instruction page. I wrote it initially myself. I created it. Therefore, I was the author at the outset.
  - Q. Can you explain the significance or importance of the instruction page to the scratch hangman books.
  - A. Yes. The instruction page is an integral part of a puzzle book. If you had a puzzle book and you didn't have the instruction page, what use would the puzzle book be?

It's the same as if you had a set of machinery that was operated by a code and you had the machinery, but you didn't have the code. Therefore, the code would be valuable.

Therefore, a book without the instruction page is of no value at all. Therefore, the value of the instruction page

- 1 | would be the integral price of the whole book.
- 2 Q. The instruction page for when -- I'm sorry. Let me go
- 3 | back. How did you come to know of the defendant Sterling
- 4 | Publication?
- 5 A. Because they started advertising online, and I came across
- 6 it. I think it was Barnes & Noble, Amazon online, sites like
- 7 | this.
- 8 | Q. Once you learned of Sterling Publications, what next?
- 9 What happened next?
- 10 MR. EDERER: Objection.
- 11 A. It didn't make sense, that question.
- 12 Could you ask it again.
- 13 THE COURT: Counsel, can you fix a time.
- Can you get the witness to identify when we are talking about.
- 16 MR. JANAY: OK.
- 17 BY MR. JANAY:
- Q. Mr. Ward, why don't you give us a time line from when you created -- briefly give us a time line from when you created the scratch hangman books in New Zealand to the time that you introduced them to Sterling Publications.
- 22 | MR. EDERER: Objection.
- 23 THE COURT: I will allow it. Overruled.
- 24 A. I realized that it is very hard to get into a publication
- of the U.S. I sold a quarter of a million books locally before

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1	I approached Sterling to	see if	they	wanted	to	publish	the	book
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- Q. And you did sell a quarter of a million books in New Zealand, is that what you're testifying?
  - A. Yes, in my manuscript I got a letter from my distributor confirming the fact that that was the case.
    - Q. By "manuscript," are you referring to a particular exhibit?
    - A. On the last page before the volume right there.

MR. JANAY: Defendant's Exhibit 2 is being offered into evidence. I didn't want to duplicate the exhibit?

THE COURT: You haven't given it to the witness. The witness hasn't identified it. I don't know what it is. That is not the proper way to do it. If you want to proceed, you may, but certainly right now it is not introduced.

BY MR. JANAY:

- Q. Mr. Ward, I would like to hand you a document and I would like you to explain what the document is.
- THE COURT: Go back to the podium.
- 17 A. Yes, that was the last page.

THE COURT: Mr. Ward, do you recognize that document?

THE WITNESS: Yes.

THE COURT: What is it?

THE WITNESS: That is the letter from my New Zealand distributor acknowledging I sold a quarter of a million copies.

THE COURT: What is the document as a whole, the whole document?

THE WITNESS: Do you want me to read it?

1	THE COURT: I don't want you to read it. What is the					
2	whole document? Not that page. What is the whole document?					
3	THE WITNESS: The whole document?					
4	THE COURT: Look at the front, please, sir.					
5	THE WITNESS: Is a letter from my					
6	THE COURT: Look at the first page, please.					
7	THE WITNESS: Sorry. The first page is the					
8	manuscript. This is the most important document that is					
9	THE COURT: Mr. Ward, tell me what this is generally.					
10	THE WITNESS: This is the initial offer plus the					
11	format that I seek to					
12	THE COURT: Would you like to offer Exhibit 2?					
13	MR. JANAY: Yes, I would.					
14	THE COURT: Any objection?					
15	MR. EDERER: It is our document, your Honor, he is					
16	offering our exhibit into evidence.					
17	THE COURT: I understand.					
18	MR. EDERER: Of course, there is no objection.					
19	THE COURT: Admitted.					
20	(Defendant Exhibit 2 received in evidence)					
21	MR. JANAY: Is it possible to get their exhibit on the					
22	screens for the jury, your Honor?					
23	THE COURT: Mr. Janay, unless you have made					
24	arrangements to do that, the answer is no.					
25	BY MR. JANAY:					

Q. Mr. Ward, why don't you explain the significance of that document.

MR. EDERER: Objection.

A. The manuscript --

THE COURT: Overruled.

A. -- basically is exactly the same as what an author would write and submit to a publisher. Image you're writing a book and you send it to the publisher. The publisher accepts it, which means appearing for publication, then it is published.

So this manuscript here is basically my initial writing that I submitted to the publisher. The manuscript had the instructions of what to do.

For instance, I see the samples, samples of the -THE COURT: Mr. Ward, hold on, please.

MR. EDERER: I object to showing of the exhibit. It is not --

THE COURT: It is not being shown. Mr. Janay, ask your next question, please.

BY MR. JANAY:

- Q. So, Mr. Ward, this manuscript you provided to whom?
- A. I seem to at this time to Francis Heaney, Sterling publisher. Francis Heaney was the person that was accepting manuscripts at that time, but I think in the meantime he has left the company.
- 25 | Q. Okay.

- A. So the position of Francis Heaney is near taken over by

  Peter Gordon, who is the editorial director at Sterling.
  - Q. Is there anything else of significance to the manuscript you submitted to Sterling?
  - A. The manuscript is like an initial author's writing, explains what the puzzle book entailed, and also put the layout of the unique style of publication.

I put in the instruction page to him to play the game which is different to the New Zealand books that I produced, and also on the last page is a letter from my distributor in New Zealand acknowledging the fact that a quarter of a million copies were sold. It was how, how unique it was.

Q. Thank you.

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Did Sterling ever respond to your proposal?

A. Yes, there is a letter that was published in the New York

Times where he acknowledged the time-frame it took.

MR. EDERER: Objection.

THE COURT: Sustained. Mr. Ward, just answer the question. Did Sterling ever respond to that letter?

THE WITNESS: Yes.

THE COURT: Okay. When? When?

THE WITNESS: Immediately.

THE COURT: And how?

MR. JANAY: I would like to introduce Exhibit 3, your

Honor, to --

THE COURT: Sustained. That is not how it works. 1 How 2 did they respond?

THE WITNESS: By e-mail.

THE COURT: You may ask your question.

MR. JANAY: I couldn't hear what he said. I am sorry.

THE COURT: By e-mail.

BY MR. JANAY:

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Q. Mr. Ward, I am going to present to you a document and I would like you to explain if that is the e-mail you just referred to in your testimony?

A. Yep.

MR. JANAY: Plaintiff's Exhibit 3 is being offered for 13 evidence, your Honor.

THE COURT: Mr. Janay, you have to hand him the exhibit. You say do you recognize this and what is it and then you can offer it if there is a basis to do so.

THE WITNESS: Yes.

BY MR. JANAY:

Q. Mr. Ward, do you recognize this document?

THE COURT: Back to the podium, please. Do you recognize that document, Mr. Ward?

THE WITNESS: Yes, this is a document from Peter Gordon.

THE COURT: Just yes or no, do you recognize that?

THE WITNESS: Yes.

THE COURT: What is it? 1 THE WITNESS: It is a letter from Peter Gordon at 2 3 Sterling, who states that he is the --4 THE COURT: No, no, no, Mr. Ward. Don't read it. Is 5 this an e-mail Mr. Gordon sent to you? 6 THE WITNESS: Yes. 7 THE COURT: Is this the e-mail in response to your solicitation about the book? 8 9 THE WITNESS: Yes. 10 THE COURT: Do you offer it? 11 MR. JANAY: Yes, your Honor. THE COURT: 12 Any objection? 13 MR. EDERER: No, your Honor. 14 THE COURT: Admitted. 15 (Plaintiff Exhibit 3 received in evidence) BY MR. JANAY: 16 17 Q. Mr. Ward, what is the significance of -- in your own words, 18 what did Sterling, how did Sterling respond in that e-mail to 19 your proposal? 20 THE COURT: Sustained. 21 MR. JANAY: Let me rephrase it. 22 Α. The actual response.

BY MR. JANAY: 23

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Q. Mr. Ward, Exhibit 3 which you're holding is the e-mail from

25 Sterling you just testified to, correct? What are some key

1 details in that e-mail?

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A. Their response was --

MR. EDERER: Objection.

THE COURT: Sustained.

THE WITNESS: I --

THE COURT: Sustained. Mr. Ward, please stop. Mr.

Janay, go ahead.

BY MR. JANAY:

Q. In the e-mail that you received from Mr. Gordon, did they acknowledge anything regarding the rights to the works?

MR. EDERER: Objection.

THE COURT: Sustained.

THE WITNESS: He stated --

THE COURT: Hold on, Mr. Ward. Mr. Ward --

THE WITNESS: They stated --

16 THE COURT: Mr. Ward, if I say "sustained," you can't

answer the question. Thank you.

18 BY MR. JANAY:

Q. Mr. Ward, in the e-mail response did Sterling acknowledge

they received your proposal?

21 | A. Yes.

Q. Anything further?

A. They --

MR. EDERER: Objection.

A. -- they actually --

THE COURT: 1 Overruled. 2 THE COURT: Hang on. 3 THE JURY: We can't see it. 4 THE COURT: Ladies and gentlemen, let me just explain. 5 If a document is admitted into evidence and it is 6 properly to be shown to you at this time, it will be on your 7 screens. If not, it is not going to be on your screens. At the end of the case during your deliberations you will receive 8 9 all of the evidence admitted at trial. At some point you will 10 certainly see any evidence admitted at trial. Until then, it 11 is sort of up to the circumstances whether you do or don't see it. So, Mr. Janay, next question. 12 13 MR. JANAY: I would like to have this admitted into 14 evidence, Exhibit 3. There were no objections. 15 THE COURT: It is in evidence. MR. JANAY: I would like the jury to be able to see 16 17 it. 18 THE COURT: You do not display what is on your screen. 19 Next question. You are welcome if you want to publish 20 it to the jury and you want to have them look at it briefly, I 21 am happy to let you show them the actual document. 22 MR. JANAY: That is exactly what I would like to do, 23 your Honor. 24 THE COURT: Not on the screen.

MR. JANAY: You mean hand it to the jury?

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1 THE COURT: Yes.

MR. JANAY: At this time? Okay.

And the Defense Exhibit 2?

THE COURT: We have moved on. Just Plaintiff's Exhibit 3, please, give to Juror No. 1. He can hand it down the line and we'll proceed.

BY MR. JANAY:

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- Q. Were there any follow-up communications with Sterling after the e-mail that we have just discussed, Plaintiff's Exhibit 3?
- A. You might have to say that again. I have the volume different now.
- Q. Did you have any follow-up discussions with Peter Gordon
  after the e-mail that has been admitted as Plaintiff's Exhibit
- 15 A. Yes.

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- 16 | Q. What did those discussions entail?
- 17 A. Those discussions, obviously we are talking about the book.
- 18 They were keen to -- there is now the New York Times that he
  19 had --
- 20 MR. EDERER: Objection, your Honor.

21 THE COURT: Sustained. Mr. Ward, just describe the
22 communications that you had with him, okay? You have mentioned
23 the New York Times a couple of times. Don't talk about that.
24 Just answer the question, okay?

What was the --

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THE WITNESS: He cited documentation from them. 1 2 MR. JANAY: Your Honor, I would like to approach the 3 witness. 4 THE COURT: You may. 5 (Pause) BY MR. JANAY: 6 7 Q. Mr. Ward, I have just handed you a piece of paper which is designated as Plaintiff's Exhibit 4. Can you explain what that 8 9 document is. 10 This is e-mail from Peter Gordon, at Sterling Publishing, 11 with an offer because they wanted to sign up for the Hangman 12 publication. 13 O. What did that offer entail? 14 MR. EDERER: Objection. They initially wanted to sign up --15 Α. THE COURT: Sustained. Are you offering the exhibit, 16 17 Mr. Janay? 18 I am, your Honor. MR. JANAY: 19 THE COURT: Any objection? 20 MR. EDERER: I am going to object to the relevance of 21 the document, your Honor. 22 THE COURT: Overruled. It is admitted. 23 (Plaintiff Exhibit 4 received in evidence)

THE COURT: May I see counsel at sidebar for a moment,

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please.

1 (At the sidebar)

THE COURT: This is excruciating and I am rapidly losing my patience. Among other things, you're in violation of the court's standing order in regarding use of electronic devices in the courtroom. While I permitted you to leave a laptop, the standing order says you may not use wireless to access the internet. Amony other things, your Facebook page is on my screen. In addition, you're accessing documents.

If you were not adequately prepared to display documents to the jury, that is your problem and not my problem. You better shut off the wireless right now and I don't want you to spend time on the internet. If I see it again, you will be fined. Thank you.

(Continued on next page)

(In open court)

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MR. JANAY: Okay, so back to Plaintiff's Exhibit 4, which is being offered into evidence.

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THE WITNESS: This --

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THE COURT: Hold on, Mr. Ward. There is no question.

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What is the question?

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MR. JANAY: I am offering Exhibit 4 into evidence. I am waiting to hear further instruction or if there is an objection.

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THE COURT: I admitted it over objection.

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BY MR. JANAY:

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Q. Now, Mr. Ward, can you just explain to me what the document in your hands is.

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A. This is an e-mail sent to me from Peter Gordon, the editorial director at Sterling, dated 9th of July, 2004, where he goes Hi, Mike. Here is your offer. He wanted to sign up

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for four books, and then they wanted to continue doing two

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books thereafter every six months indefinitely.

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MR. JANAY: Thank you. I'll publish that to the jury, your Honor.

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THE COURT: You may. (Pause)

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I know, ladies and gentlemen, it is not on the screen.

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Unfortunately, that is what it is. I am allowing Mr. Janay to show you the exhibits that have been introduced, and that's

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just the way it is going to be at the moment. Mr. Janay, next

1 | question.

- 2 BY MR. JANAY:
- 3 | Q. Mr. Ward, you've referenced a New York Times article on a
- 4 | few occasions in your testimony. Can you elaborate a little
- 5 | bit further on that?
- 6 THE COURT: Sustained.
- 7 MR. JANAY: I'd like to show to the witness
- 8 | Plaintiff's Exhibit 7.
- 9 THE COURT: You may approach.
- 10 BY MR. JANAY:
- 11 Q. Mr. Ward, I've just handed you a document marked
- 12 | Plaintiff's Exhibit 7. Can you explain that document?
- 13 MR. EDERER: Objection.
- 14 A. This was an interview --
- 15 | THE COURT: Overruled. Just explain what the document
- 16 | is, please. Just what is the document briefly?
- 17 | THE WITNESS: The document is an interview with Peter
- 18 Gordon with the New York Times.
- 19 THE COURT: Go ahead.
- 20 BY MR. JANAY:
- 21 | Q. Does that document reference anything concerning a Scratch
- 22 | Man book?
- 23 | A. Yes.
- 24 MR. EDERER: Objection.
- 25 THE COURT: Sustained as to form.

1 MR. JANAY: I have to rephrase the question.

THE WITNESS: When --

MR. JANAY: Mr. Ward, please.

BY MR. JANAY:

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- Q. The document that you're holding, what is the significance
- 6 of that document?
- 7 A. The significance --

8 MR. EDERER: Objection.

THE COURT: Sustained. Sustained.

THE WITNESS: The significance --

MR. JANAY: Wait, Mr. Ward.

12 BY MR. JANAY:

- 13 | Q. Mr. Ward, can you please explain what that document is and
- 14 how it relates to what you believe this case is about?
- MR. EDERER: Objection.
- 16 THE COURT: Sustained.
- 17 A. Yes, I am trying to do this.
- 18 THE COURT: Sustained. Sustained.
- 19 BY MR. JANAY:
- 20 | Q. Mr. Ward, is that a copy of a New York Times article in
- 21 | your hand?
- 22 A. Yes.
- 23 MR. EDERER: Objection.
- 24 THE COURT: Sustained.
- 25 A. It is in the --

1 (Pause)

- 2 BY MR. JANAY:
- Q. Mr. Ward, can you please relate to the jury what the contents of that article are.
- 5 MR. EDERER: Objection.
- 6 THE COURT: Sustained.
- 7 BY MR. JANAY:
- Q. Mr. Ward, does this article from the New York Times
  reference someone from New Zealand --
- MR. EDERER: Objection.
- 11 THE COURT: Sustained. Why don't you move on to the next line, Mr. Janay.
- MR. JANAY: I'd like to pass that, publish that to the jury, your Honor.
- THE COURT: It is not in evidence, Mr. Janay. Next line of questioning, please.
- 17 MR. JANAY: I am offering it into evidence.
- THE COURT: I am not allowing it into evidence. Next line of questioning, please.
- 20 MR. JANAY: Can we sidebar?
- 21 THE COURT: No. Next line of questioning, please.
- 22 BY MR. JANAY:
- Q. Mr. Ward, did Peter Gordon ever make a public statement concerning the Scratch Man series books you --
- MR. EDERER: Objection.

1 THE COURT: Sustained. Sustained.

MR. JANAY: I would like to introduce Exhibit 6.

THE COURT: You may approach the witness.

(Pause)

BY MR. JANAY:

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- 6 Q. Mr. Ward, I have just handed you a document that is marked
- 7 Plaintiff's Exhibit 6. Can you explain what this document is.
- 8 A. This is an e-mail I received from Peter Gordon on June
- 9 | 17th, 2009, where he stated --
- 10 MR. EDERER: Objection.
- 11 | THE COURT: That is it. Next question.
- 12 BY MR. JANAY:
- 13 Q. What was the subject line of that e-mail?
- 14 THE COURT: Sustained.
- 15 A. The current --
- 16 THE COURT: Sustained.
- 17 MR. JANAY: I'd like to offer Plaintiff's Exhibit 6
- 18 | into evidence, your Honor.
- 19 THE COURT: Any objection?
- 20 MR. EDERER: Yes, your Honor, objection to relevance.
- 21 | THE COURT: Overruled. It is admitted.
- 22 | (Plaintiff Exhibit 6 received in evidence)
- 23 BY MR. JANAY:
- 24 | Q. Now may I ask Mr. Ward, what does the subject line of that
- 25 | e-mail read?

- 1 A. The subject line reads: One million 200, 259.
- 2 | Q. Does the body of that e-mail explain why that subject
- 3 matter, the subject line is there?
- 4 A. Yes, he stated that these were him and he sold books of
- 5 | mine that had sold on that date.
- 6 Q. Is there anything else in those documents that you'd like
- 7 | to testify to?
- 8 MR. EDERER: Objection.
- 9 THE COURT: Sustained.
- 10 THE WITNESS: Significant --
- 11 THE COURT: Sustained.
- 12 BY MR. JANAY:
- 13 | O. What is the date of that e-mail?
- 14 | A. What?
- 15 Q. What is the date of the e-mail, Mr. Ward?
- 16 A. June 17th, 2009.
- 17 | Q. When was it that you started your relationship with
- 18 | Sterling?
- 19 A. They started the Volume I in 2005.
- 20 | O. So --
- 21 A. Four years.
- 22 | Q. -- in four years there were 1 million copies of Scratch &
- 23 | Solve Hangman sold?
- 24 | THE COURT: Sustained.
- MR. EDERER: Thank your Honor.

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THE COURT: To be clear, it is a one-page document that is in evidence.

MR. JANAY: That can't be right.

THE COURT: Sir? The first page is in evidence. I have not allowed a second page into evidence.

MR. JANAY: Thank you for clarifying. Plaintiff would like to admit the second page into evidence.

THE COURT: Denied.

MR. JANAY: I'd like to know the basis for the denial.

THE COURT: No. Proceed.

MR. JANAY: Okay. I'd like to publish the first page of the exhibit to the jury.

THE COURT: You have summarized or he has summarized the entirety of it, so I think it is okay, we don't need to distract the jury any more. Next question.

MR. JANAY: I don't believe it is a distraction to the jury, your Honor, and thank you.

THE COURT: It is denied. Please don't comment or respond.

MR. JANAY: I would like to present Plaintiff's Exhibit 5 to the witness, your Honor.

THE COURT: You may approach.

BY MR. JANAY:

Q. Mr. Ward, I just handed you a document, and it is marked Plaintiff's Exhibit 5. It is an e-mail. Can you tell he who

1 | that e-mail is from and to?

- A. (Pause)
- 3  $\parallel$  Q. Can you tell me who the e-mail is from and who it is to?
- 4 A. It is from Peter Gordon again to me, the subject Hangman
- 5 books.

- 6 0. What is it dated?
- 7 A. Dated September the 24th, 2008.
- 8 Q. Do you recall receiving this e-mail?
- 9 | A. Yes.
- 10 | Q. Can you summarize what the e-mail states?
- MR. EDERER: Objection.
- 12 THE COURT: Sustained.
- 13 MR. JANAY: I would like to publish this e-mail to the
- 14 jury.
- 15 | THE COURT: Are you offering it?
- MR. JANAY: I am offering it.
- 17 THE COURT: Any objection?
- 18 MR. EDERER: Yes, your Honor, its relevance.
- 19 | THE COURT: Overruled. It is admitted.
- 20 (Plaintiff Exhibit 5 received in evidence)
- 21 THE COURT: And you may publish it.
- 22 BY MR. JANAY:
- 23 | Q. Mr. Ward, by this point in 2008 you had a multitude of
- 24 dealings with Sterling. Can you explain if there was any kind
- of back-and-forth process with the creation of the books?

1 THE COURT: Sustained as to form.

A. Is --

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THE COURT: Sustained.

MR. JANAY: I have to rephrase the question.

BY MR. JANAY:

Q. It is apparent from, Mr. Ward, it is apparent from the documents that are now in evidence that you have had a relationship with Sterling Publications. Can you explain to the jury the details of that relationship including whether there was a back-and-forth between you and the editors at

MR. EDERER: Objection.

THE COURT: Sustained.

BY MR. JANAY:

Sterling?

Q. Mr. Ward, can you briefly describe your relationship with the defendant Sterling between 2004 and 2008.

MR. EDERER: Objection.

THE COURT: Overruled. You you may answer that.

- A. Can I answer this now?
- 20 Q. Yes, you can.
  - A. The goodwill between Sterling and myself was high in the beginning. The manuscript initially seen, I gave them approval to hold to the format if they so desired.

MR. EDERER: Objection, your Honor.

THE COURT: Just briefly describe the relationship

between you and Sterling from 2004 to 2008. We don't want a detailed description of each and every communication, just an overview of your relationship.

THE WITNESS: Understood. I was doing that. I was stating that I gave them leeway to change formats if they liked. However, the sole final approval came from me.

MR. EDERER: Objection, your Honor.

THE COURT: Overruled.

MR. EDERER: I move to strike.

THE COURT: Overruled.

THE WITNESS: And they did make some changes which I approved. The main change they made was that with my New Zealand books, I had copyrighted it with teen chances of, before you have been hung on the puzzle book.

With Peter Gordon, he elected to high that number to 5. Therefore, with me being the author, I had to come up with a longer ways to compensate for shorter chances that they had in the U.S. books.

So there was a lot of to-ing and fro-ing, and even with the words, it was the words I described the answers, but a lot of them were longer ones to compensate for the changes that they wanted to make, and I approved.

THE COURT: All right. Next question.

BY MR. JANAY:

Q. Mr. Ward, is it fair to say that you approved of all of the

1 | changes that were made to the original manuscript?

THE COURT: Sustained.

MR. EDERER: Objection.

MR. JANAY: You can't answer that.

THE COURT: Sustained.

BY MR. JANAY:

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Q. Mr. ward, can you explain the approval process of changes to your original manuscript and their ultimate publication in the Scratch & Solve series?

MR. EDERER: Objection.

THE COURT: Overruled.

- A. Sterling made the drafts, and I approved them and then I approved them for publication. The facility happened for 40 titles and sales were well over 2 million.
  - Q. I didn't understand the last thing you said. Can you please repeat it.

MR. EDERER: Objection.

THE COURT: Why don't you ask your next question,

19 please. Ask your next question.

BY MR. JANAY:

- Q. You stated that Sterling would send you a draft, but what was that original draft based on?
- A. The original draft was based on my manuscript. You see, a manuscript is what an author supplies to a publisher.

MR. EDERER: Objection, your Honor; unresponsive.

THE COURT: Overruled.

A. Once Sterling received my manuscript, it is up to them to edit it how they see fit. They were editing means to prepare for publication. This they did.

THE COURT: All right. Thank you, Mr. Ward.

Next question.

## BY MR. JANAY:

Q. Between 2004 and 2008, approximately how many edits to your manuscript do you recall there being made?

THE COURT: Counselor, are we talking about one particular manuscript or multiple manuscripts?

MR. JANAY: He is referring to the --

THE COURT: I am not asking what he is referring to. What is your question referring to?

MR. JANAY: To the edits to the manuscript for his work between 2004 and 2008. I am trying to establish the back-and-forth process.

THE COURT: Why don't you clarify the question. I think it is totally unclear whether there is one manuscript or multiple manuscripts. You referenced multiple books, so if you could clarify, that would be helpful.

## BY MR. JANAY:

Q. Mr. Ward, sticking solely to the instructions that are found in the Scratch & Solve Hangman books, do you recall edits to those instructions between you and Sterling?

1 | MR. EDERER: Objection, your Honor.

THE COURT: Overruled.

A. Yes, the instructions that I supplied with my manuscript were used in the majority of the cases to the instruction page in the U.S. Hangman books. It is a pity I can't refer to my notes because I --

THE COURT: Mr. Ward, stop. Just answer the question, please.

THE WITNESS: Do you want me to specifically state the differences between New Zealand and U.S. books?

11 BY MR. JANAY:

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- Q. No. What I am asking you to explain to the jury is your involvement in the creation of the instructions to the scratch Hangman books that were published by Sterling.
- A. Okay. I supplied Sterling my manuscript initially.

  Included in the manuscript was the instruction page which they edited for the U.S. books. They then always came back to me, requiring me approval to the editorial changes which I did.

MR. EDERER: Objection, your Honor.

THE COURT: Overruled. Go ahead. You may finish. Please wait till the end of the answer. You may finish.

BY MR. JANAY:

- 0. You can finish.
- 24 | A. Ha?
  - Q. You can finish explaining.

A. This process was carried on for 40 titles in my name and my name only, and it was only until the --

THE COURT: Mr. Ward, just stop there. Thank you.

Mr. Janay, your next question.

MR. JANAY: I'd like to present Plaintiff's 8 to the witness, your Honor.

THE COURT: You may approach.

(Pause)

BY MR. JANAY:

- 10 Q. Mr. Ward, I just handed you a document. Do you recognize
- 11 | this document?
- 12 A. Yes.

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- 13 Q. Can you explain what this document includes.
- 14 A. This is a letter form, dated October the 14th, 2013, from
- 15 Mr. Tony Romano, who is the manager of the Royal Accounting
- 16 Division of Sterling Publishing.
- 17 | THE COURT: Is it a letter to whom? Who is it a
- 18 | letter to?
- 19 | THE WITNESS: Ha?
- 20 | THE COURT: To whom is the letter addressed?
- 21 THE WITNESS: To me.
- 22 | THE COURT: Did you receive this letter?
- THE WITNESS: Yes.
- 24 | THE COURT: Are you offering the exhibit?
- 25 MR. JANAY: I am.

1 | THE COURT: Any objection?

MR. EDERER: Yes.

THE COURT: Overruled. It is admitted.

(Plaintiff Exhibit 8 received in evidence)

MR. JANAY: Your Honor, I would like to publish this

6 letter to the jury.

7 THE COURT: You may. You may approach and hand it to

Juror No. 1.

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(Pause)

10 BY MR. JANAY:

- 11 Q. Now, Mr. Ward, that letter that I just handed to you,
- 12 | Plaintiff's Exhibit No. 8, did it have any sales figures on it?
- 13 A. Yes, they acknowledged at that time that they sold 1.5, I
- 14 | think over 1.5 books in my name.
- 15  $\parallel$  Q. Did they acknowledge they were continuing to sell those
- 16 | books in that letter?
- 17 A. No, I don't think. If I have a --
- 18 | THE COURT: The jury is looking at it. I speaks for
- 19 | itself. Next question.
- 20 BY MR. JANAY:
- 21 | Q. Mr. Ward, between 2008 and 2013, did your relationship with
- 22 | your publisher Sterling change at all?
- 23 MR. EDERER: Objection.
- 24 THE COURT: Sustained.
- MR. JANAY: Let me rephrase.

1 BY MR. JANAY:

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- Q. How many books per year did you author and Sterling published between 2004 and 2008, approximately?
  - A. There was a document in the evidence that has the total number of the books sold by me and also by the defendants.

THE COURT: Mr. Ward, approximately how many books did you publish with Sterling between 2004 and 2008 per year? Do you know the answer to that question?

THE WITNESS: It wasn't regular numbers per year. It fluctuated. It is all on the schedule.

THE COURT: Just can you answer that question yes or no?

THE WITNESS: I can't by memory.

THE COURT: Next question, Mr. Janay.

15 BY MR. JANAY:

- Q. Overall, how many books did you author and Sterling published between 2004 and 2013?
- 18 A. 40.
- 19 Q. When did you first learn of the book Trivia Hangman?
- 20 A. Approximately 18 months or so after it was first published.
- 21 You see, what happened is that I had to go --

THE COURT: Mr. Ward, when did you first learn of a book called Trivia Hangman? Just give us an approximate time.

THE WITNESS: 18 months after it was first published.

THE COURT: Do you know when that was? Do you know

1 | when that was?

THE WITNESS: No, but it is on the schedule.

3 | THE COURT: Next question.

4 MR. JANAY: I would like to approach the witness and

provide Plaintiff's Exhibit 18.

THE COURT: You may approach.

(Pause)

BY MR. JANAY:

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Q. Mr. Ward, I have just handed you a document. Do you see

Trivia Hangman on that document?

MR. EDERER: Objection.

THE COURT: Sustained.

13 MR. JANAY: I am sorry. I'd like to introduce

14 | Plaintiff's Exhibit 18.

15 THE COURT: Denied.

16 (Pause)

17 BY MR. JANAY:

Q. Mr. Ward, did you prepare the document that is in your

19 hand?

A. I compiled this document.

21 MR. JANAY: Again I would like to offer Plaintiff's

22 | Exhibit 18 into evidence, your Honor.

23 | THE COURT: Denied.

24 BY MR. JANAY:

Q. Mr. Ward, do you recognize any of the titles found on

1 | Plaintiff's Exhibit 18?

MR. EDERER: Objection.

THE COURT: Sustained.

BY MR. JANAY:

Q. Mr. Ward, are you the author of any of the titles listed on

6 Exhibit 18?

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MR. EDERER: Objection.

THE COURT: Sustained.

MR. JANAY: Your Honor, I would like you to state for the record the reason for denial of this exhibit.

THE COURT: No. Next question. At the break we can perhaps discuss it. Next question.

13 BY MR. JANAY:

- Q. Mr. Ward, the 40 titles you just testified to that Sterling
- 15 | had published and you authored, did they occur between what
- 16 | years?
- 17 | A. The last part of your question?
- Q. What years did the 40 titles that you authored and Sterling
- 19 | published occur between?
- 20 | A. They --

THE COURT: Mr. Ward, please put the document to the side and don't look at the document. Just answer the question.

THE WITNESS: They commenced in 2005 and terminated,

24 from memory, 2013, without looking at the document.

25 BY MR. JANAY:

- Q. And were the number of titles you published consistent, on an annual basis for the number of titles you authored
- 3 consistent on an annual basis that Sterling published?
- 4 THE COURT: Sustained.
- 5 | A. Yes.

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- 6 BY MR. JANAY:
- Q. Back to the title Trivia Hangman, do you know who the author of Trivia Hangman was listed as?

Yes, Francis Heaney.

- 10 | O. Do you know who Francis Heaney is?
- 11 A. Francis Heaney is an employee of Sterling, and Francis
- 12 Heaney was one of the chaps that was compiling my scratch
- 13 | Hangman books.
- Q. What do you mean compiling your scratch Hangman books? Can
- 15 you elaborate?
- MR. EDERER: Objection.
- 17 THE COURT: Overruled.
- 18 A. "Compiling" means making them up, designing them, getting
- 19 | hold of me to pick the weeds, I explain the answers, then
- 20 | edited the answers to give me so he was an integral team member
- 21 | to do with the creation of my scratch Hangman titles. He was
- 22 part of the team.
- 23 BY MR. JANAY:
- 24 | Q. As a team member, do you recall working with Mr. Heaney on
- 25 any of the instructions to the scratch Hangman books?

- A. There has been various e-mails between Mr. Heaney and
  myself concerning a whole range of matters to concealing my
- 3 scratch Hangman title. He came to me for approval --
- 4 MR. EDERER: Objection.
- 5 A. -- of changes which I approved.
- 6 THE COURT: Overruled.
- 7 BY MR. JANAY:
- Q. Mr. Ward, are you familiar with the title called Hollywood
- 9 Hangman?
- 10 A. Hollywood Hangman is one of my books.
- 11 | Q. I said Hollywood Hangman?
- 12 A. I am sorry? Hollywood, yes. Actually, yes, Hollywood
- 13 Hangman, that was published by Patrick Blindauer, who had the
- 14 same position as --
- 15 THE COURT: Mr. Ward, are you familiar with the book
- 16 | Hollywood Hangman, yes or no?
- 17 THE WITNESS: Yes.
- 18 THE COURT: Thank you. Next question.
- 19 BY MR. JANAY:
- 20 | Q. Do you know who wrote Hollywood Hangman?
- 21 A. Patrick Blindauer.
- 22 | Q. Did you have a relationship with Mr. Blindauer?
- 23 A. I had the same relationship with Mr. Blindauer as I did
- 24 | with Francis Heaney.
- 25 | Q. Do you recall working with Mr. Blindauer on the

1 instructions to any of your claimed Scratch and Hangman books?

- A. I worked with Heaney and Blindauer on the total book, not
- 3 | just the instructions.
- 4 | Q. I am sorry, what do you mean the total book?
- 5 A. The total format. They had to come to me for approvals.
- 6 MR. EDERER: Objection, your Honor.
- 7 THE COURT: Overruled.
- 8 BY MR. JANAY:

- 9 Q. Mr. Blindauer, the same question this time for your
- 10 relationship with Peter Gordon?
- 11 | A. Peter --
- 12 MR. EDERER: Objection.
- 13 THE COURT: Sustained as to form.
- 14 BY MR. JANAY:
- Q. Mr. Ward, for the 40 titles which you are listed as author
- 16 of the Scratch Hangman series, did you work with a gentleman
- 17 | named Peter Gordon?
- 18 | A. Yes.
- 19 Q. In what capacity did you work with him as?
- 20 | A. Peter Gordon was the main person that I dealt with at
- 21 | Sterling. He was the person who originally accepted my
- 22 proposal.
- 23 | Q. Do you recall working with Mr. Gordon on anything regarding
- 24 | the instruction pages found in the Scratch Hangman books?
- 25 A. Yes, I supplied the instruction pages for the U.S. Scratch

Hangman titles in my manuscript. Peter Gordon then edited these instruction pages. Peter Gordon's job is editor director, so he is in charge of editing.

THE COURT: Counsel, it is 3:15. We are going to take our afternoon break at this time.

Ladies and gentlemen, I am going to give you a few minutes to use the facilities and stretch your legs and the like. It is 3:15. I want to start promptly at 3:30, so please be ready to go a couple of minutes before then.

Again I recommend you line up in your order now, and because it is a short break, please don't leave the jury room or the jury room area. Two reminders:

One, keep an open mind. You heard very little evidence. You have not heard all of the evidence in this case.

Number two, do not discuss this case with each other or anyone else. With that -- and also I ask if you could actually just pass the exhibits that have been handed to you up and you can leave them on the banister right in front of the jury box, that would be great -- with that, you're excused and I'll see you in 15 minutes.

(Jury excused)

THE COURT: You may now step down. The jury is out of the room. You may be seated. You can step down, Mr. Ward.

Now, Mr. Janay, I just don't know where to begin.

Number one, as I said at sidebar, you're not permitted under

the standing order of this Court to use internet in this courtroom, and so in watching you access things from Google drive --

MR. JANAY: I shut it down.

THE COURT: I understand. I was explaining what I did earlier. If I see that, I am not going to allow you to use your electronic devices or bring them into the courthouse, and you may be fined.

THE COURT: Hang on, Mr. Janay. You wait, okay?

MR. JANAY: Your Honor --

questions that pertain to this case.

Number two, it is evident to me you have not done the most basic preparation of your witness. Mr. Ward is the plaintiff in this case. He shouldn't be learning for the first

time upon taking the stand that he is not permitted to bring exhibits up to the stand with him. He shouldn't have to refresh his recollection with respect to the most basic

It is your responsibility as a lawyer to prepare the witness to explain what testimony means in this Court, to explain what he can and can't do in a courtroom in this country.

Number three, you don't know how to formulate even the most basic question or get anything into evidence. Half the things I have not allowed into evidence is because you haven't laid a foundation for them. You haven't authenticated them.

You haven't asked him a question what it is. I am not going to let things into evidence like that, nor am I going to repeatedly instruct you how to ask a question, how to lay a foundation, how to refresh his recollection, when it is proper to refresh his recollection.

It is incumbent for you to know those things. You consider yourself lucky I allowed you to publish any of those things to the jury. It was only to the sympathy to the jury which has no idea what is going on. It is incumbent for you to have arrangements to show things to the jury using things are in compliance with the court's standing order or to have multiple copies of your exhibits you can hand out to the jury.

After today I won't allow this to go on because it is not the way this happens and it is not the way this works. Is there something you would like to say?

MR. JANAY: There is a lot I would like to say.

THE COURT: Pick your battles and choose the most important thing then.

MR. JANAY: Number one, with regards to the internet, I did shut it off immediately upon you notifying me here, fine. Your standing order is acknowledged. Whether these orders are rational at all, I'll digress from answering.

Number two, I was here yesterday to get everything set up and proper and learn how to publish the exhibits which I have on my computer on my local hard drive so that I could show

them to the jury. It was not working yesterday, and so I showed up early this morning, earlier this morning so that we could address that as well and I did.

I thought everything was resolved. However, now I am not able to publish my exhibits, so I mean I am one person, one human being who is working on this case against six or however many people part of defendants' team.

I have had problems communicating with my mildly deaf client who lives on the other side of the ocean, and he does have a legitimate case, but it is evident to me that you would, rather than facilitate a fair trial, would rather punish the plaintiff and plaintiff's counsel.

THE COURT: Mr. Janay, I think there is absolutely no evidence or basis of my doing anything other than trying to give everybody in this case a fair trial. If I am enforcing the rules of evidence by not allowing into evidence something that has not been properly authenticated, it is only because my job is to enforce the rules of evidence.

I am not biased against your case. I have no view whether you case has merit or not. If you haven't complied with the standing orders of the court, don't know how to ask a question, don't know how to admit an exhibit and haven't adequately prepared your client, and you didn't tell me until 9:46 this morning that he had a hearing problem or take any steps to try and address that and make sure it wouldn't be an

ongoing issue in this case, it is not my problem and not a function of me being unfair. I am giving everybody in this case a fair trial and it is my job to enforce the --

MR. JANAY: Are there any accommodations that can be made for my client's hearing?

THE COURT: That is up to you to explore and it was up to you to explore before 9:46 this morning. I actually don't know the answer to that question because I have never confronted this. If you had asked in advance of the trial and given me any notice it, I would have been happy to do it, not to mention, not to mention your client has not testified that he has a hearing problem and it is quite obvious that he can, in fact, hear.

He has articulated his principal problem is with the accents we use in this country and that makes it difficult.

That is not something that can be addressed. As far as I know, there is nothing like a New Zealand to English interpreter. I don't think it exists.

We are adjourned until 3:30. Please be ready a minute before. Please take the opportunity to talk to Mr. Ward about what it means to testify in this country and what you can and can't do and what he can and can't do.

THE CLERK: All rise.

(Recess)

THE COURT: You may be seated. Mr. Ward, if you can

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Ward - direct

THE COURT: Is it a PDF of all of the exhibits? 1 MR. JANAY: 2 Yes. 3 THE COURT: Can you speak into the microphone, please. 4 MR. JANAY: It is a PDF of all the exhibits, which are 5 searchable, so I just have to type in the letters, the word 6 exhibit and number and then it pulls up. 7 THE COURT: All right. We will take it a step at a time, but if you able to pull it up, and it doesn't take a lot 8 9 of time and waste the jury's time and you are able to pull up a 10 particular exhibit and I can confirm that is what it actually 11 is, I will allow you to display it on the screen and we will 12 save the jury some time and heartache. 13 It's not really how it's supposed to be done, and I am 14 a little concerned that these are not the actual exhibits with 15 stickers, but I will visually inspect and make sure that it is the same exhibit and I will take your representation that it 16 17 is. MR. JANAY: Your Honor, if I may, I was here yesterday 18 to hopefully square all of this away at 2:30, and we couldn't 19 20 get the screens working. So I came here at 8:30 this morning, 21 8:45 this morning with the same thing, and then a man from IT 22 showed me how to publish to the jury. 23 This screen is completely blank right now, but I don't 24 know what else to say. I tried.

THE COURT: I told you to have a backup just in case

	F7snwar4 Ward - direct
1	the technology didn't work. We'll get the jury in and proceed
2	MR. EDERER: Your Honor, if I could just raise one
3	issue briefly.
4	THE COURT: Very quickly.
5	MR. JANAY: I do have the backup hard copies.
6	THE COURT: Yes, sir.
7	MR. EDERER: Your Honor, just so you know, Mr. Gordon
8	who is the next witness, who is here, actually would prefer no
9	to swear, but to affirm.
10	I just want to mention that to the Court.
11	THE COURT: All right.
12	MR. EDERER: If that's OK.
13	THE COURT: That is of course OK, and I appreciate
14	your alerting me to it.
15	Ms. Barnes will get the jury.
16	(Continued on next page)
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<ul><li>24</li><li>25</li></ul>	
$\Delta J$	

97 F7snwar4 Ward - direct 1 (Jury present) THE COURT: Welcome back, ladies and gentlemen. 2 3 Mr. Janay, you may proceed. 4 MR. JANAY: Your Honor, may I have the court reporter 5 just read back the last five sentences or so? THE COURT: No. 6 7 MR. JANAY: No? THE COURT: Ask your next question, please. 8 9 BY MR. JANAY: 10 Q. Mr. Ward, you testified that you submitted a manuscript to 11 Mr. Gordon. 12 Can you explain what followed. 13 Can I explain what? Α. 14 Q. What followed from that? 15 MR. EDERER: Objection. THE COURT: Overruled. 16 17 MR. JANAY: I'm sorry. 18 Actually let me clarify. BY MR. JANAY: 19 20 Q. Can you explain your relationship with Peter Gordon from 21 the time you submitted the manuscript until 2013. 22 MR. EDERER: Objection. 23 THE COURT: Sustained.

No, sustained.

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Α.

Peter Gordon --

THE COURT:

1 MR. JANAY: Sorry.

THE COURT: If I sustain the objection means you do not answer.

THE WITNESS: OK.

BY MR. JANAY:

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- Q. Mr. Ward, can you explain your relationship with Mr. Gordon after you submitted the manuscript to him?
- A. Peter Gordon was the main person that I dealt with at Sterling Publishing. I dealt directly with the other defendants, Patrick Blindauer and Francis Heaney, but Peter Gordon was the editorial director. He was the main person that liaised with me.

His duty was to edit the documentation which I sent him, which he did, which considering the instruction page, he edited the instruction page that I sent him in my manuscript which had a legitimate copyright on the manuscript, and it also had an ISBN, which is an international standard book number.

MR. EDERER: Objection.

THE COURT: I will stop you there, Mr. Ward.

Next question.

BY MR. JANAY:

- Q. Mr. Ward, you said that Mr. Gordon edited your work. Was that after you entered into a contract with Sterling?
- 24 | A. Yes.
  - Q. I would like to introduce Plaintiff's Exhibit 20 and then

1 direct the witness to the 13th page of that exhibit.

THE COURT: Mr. Janay, you may approach the witness.

3 BY MR. JANAY:

- 4 | Q. Mr. Ward, I just handed you a document that on the front
- 5 page is listed as Plaintiff's Exhibit 20. There is
- 6 approximately 13 pages into that document, is that correct?
- 7 A. Yes.
- 8 Q. What does the page that you are holding show?
- 9 MR. EDERER: Objection.
- 10 THE COURT: Sustained.
- 11 | A. It is a contract --
- 12 THE COURT: Sustained.
- Counsel, I don't think that you have given the witness

  Exhibit 20.
- MR. JANAY: Exhibit 20 is the --
- 16 THE COURT: It is not in evidence. I am looking at
- 17 | what he is holding, and it is not Exhibit 20. That is the
- 18 || first problem.
- 19 MR. JANAY: Your Honor, Exhibit 20 has an exhibit to
- 20 | it. It's defendant's answer and Exhibit A --
- 21 THE COURT: Counsel, do not engage in colloquy in
- 22 | front of jury.
- Go ahead and ask your next question.
- MR. JANAY: I'm sorry.
- 25 BY MR. JANAY:

1 | Q. Mr. Ward, if you could place these pages back in order.

- A. This one?
- 3 | Q. Yes. Mr. Ward, do you recognize that document?
- 4 A. I am not quite sure if I have seen this before.
- 5 THE COURT: Next question.
- Q. Mr. Ward, if you go through the pages of that document, do
- 7 you see a page marked Exhibit A?
- 8 A. Exhibit A?
- 9 Q. OK. The page following Exhibit A, do you recognize that
- 10 | page?

- 11 A. This is the last page.
- 12 | THE COURT: Counsel, why don't you --
- MR. JANAY: May I approach, your Honor.
- 14 | THE COURT: Why don't you retrieve the exhibit, find
- 15 | the pages that you want to ask him about those pages, please.
- 16 A. You are talking about that?
- 17 Q. Yes, Mr. Ward.
- 18 A. I thought that was the document, because you gave me both.
- 19 OK. I've got it now.
- 20 | Q. Mr. Ward, do you recognize that document?
- 21 | A. Yes.
- 22 | Q. What is that document?
- 23 A. It is the contract between Sterling and myself.
- 24 | Q. Do you know what a preamble to a contract is?
- 25 | A. Yes. It is dated October 14, 2004.

1 MR. EDERER: Objection.

- 2 Q. OK. That's when the contract is dated.
- 3 | THE COURT: Overruled.
- 4 Q. Do you know what a preamble to a contract is was the
- 5 | question.
- 6 | A. Yes.
- 7 Q. OK. Does that preamble --
- 8 A. Yes.
- 9 MR. EDERER: Objection.
- 10 THE COURT: Sustained.
- 11 BY MR. JANAY:
- 12 | Q. Who are the contracting parties?
- 13 A. Yes.
- 14 | Q. Who are the contracting parties?
- 15 | A. The contracting party is between Sterling Publishing and
- 16 | myself. Sterling Publishing is referred to as the publisher.
- 17 I am referred to as the author.
- 18 Q. OK.
- 19 A. It goes on to say --
- 20 | THE COURT: Mr. Ward stop there, please.
- 21 BY MR. JANAY:
- 22 | Q. Does that contract define the work?
- MR. EDERER: Objection, your Honor.
- 24 It is not in evidence.
- 25 THE COURT: Sustained.

1	MR. JANAY: Yes. I would like to offer Exhibit 20 in
2	evidence and everything following Exhibit A within Exhibit 20
3	to the end.
4	THE COURT: Any objection?
5	MR. EDERER: Your Honor.
6	THE COURT: Any objection? Yes or no?
7	MR. EDERER: Yes.
8	THE COURT: The basis?
9	MR. EDERER: I think there is an exhibit in our book
10	that is just the contract. I don't know that there needs to be
11	any division of an exhibit which consists of our answer in this
12	case.
13	THE COURT: Can you just point me to what that is?
14	MR. EDERER: Yes. D-4.
15	MR. JANAY: I am fine introducing Defense 4.
16	THE COURT: You need to have the witness authenticate
17	it?
18	Mr. Ward I'm showing you what is marked as Defendants'
19	Exhibit 4.
20	Do you recognize that document?
21	Do you recognize that document? Yes or no?
22	THE WITNESS: No, I don't. Yeah. I think that's been
23	amended.
24	THE COURT: All right. I am going to allow
25	Plaintiff's Exhibit 20 in, but only the pages that Mr. Ward

1 | identified, namely, the pages after Exhibit A.

I will ask you later to re-mark those pages and those pages alone as Plaintiff's Exhibit 20 so there's no ambiguity. You may proceed.

Ladies and gentlemen, if or when you see this exhibit, you are going to see that at the very top there is some writing that says "Case 1:13," and then there are some numbers and letters. You just should ignore that. That's not part of the original document itself. It's just something that when things are filed in a case in this court they are essentially automatically added by the computer. That's just something relating to the litigation and is not relevant for your consideration.

You may proceed.

BY MR. JANAY:

- Q. I'm sorry. Mr. Ward, is the work defined in that contract?
- 17 | A. Yes.

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- 18 Q. What is the work defined as?
- A. The work is defined as that myself, which is the author, and Sterling will publish --
- 21 THE COURT: Mr. Ward, you can stop.
- 22 The exhibit speaks for itself. The next question.
- 23 BY MR. JANAY:
- Q. Mr. Ward, I want to refer you down to paragraph enumerated
- 25 | as 2 in that contract, which starts out with "copyright."

I want you to explain your understanding of that paragraph.

MR. EDERER: Objection, your Honor.

THE COURT: Sustained.

MR. JANAY: Your Honor, I would like to publish

Exhibit 20 to the jury.

THE COURT: Granted.

Just the first page for now. We are displaying it on the screens, Mr. Janay.

- 10 BY MR. JANAY:
- 11 Q. Mr. Ward, under this contract, was Sterling obligated to
- 12 | obtain copyrights on your behalf?
- 13 A. Yes.

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- 14 | Q. Did they in fact obtain copyrights on your behalf?
- 15 | A. Yes.
- 16 | Q. For what content did they obtain copyrights on your behalf?
- 17 MR. EDERER: Objection, your Honor.
- 18 THE COURT: Sustained.
- 19 | A. Well --
- 20 THE COURT: Sustained.
- 21 MR. JANAY: Sustained. OK.
- 22 BY MR. JANAY:
- 23 Q. Did you understand the scope of the copyright to include
- 24 | the entire text of the works?
- 25 A. Yes.

1 MR. EDERER: Objection.

THE COURT: Sustained.

BY MR. JANAY:

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- Q. Did you have any discussions with Sterling employees concerning the obtaining of copyrights in the works outside of
- 6 | this contract?
- 7 A. No. Only during this contract.
  - Q. Only during that contract. What did you envision Sterling would do as part of their obligations under that contract?

MR. EDERER: Objection.

THE COURT: Sustained.

BY MR. JANAY:

- Q. What did you anticipate Sterling would do to perform their obligations under the contract?
- MR. EDERER: Objection.
- 16 A. Their obligation would be --
- 17 THE COURT: Mr. Ward, there is an objection. I will overrule it and I will allow the witness to answer.

19 You may proceed.

- You may proceed. What was your understanding of what Sterling was required to do?
- 22 THE WITNESS: I understood Sterling was to obtain 23 copyright protection for me in the U.S. Because of the fact --
- 24 THE COURT: Just stop there, Mr. Ward. Next question.

25 BY MR. JANAY:

Further along in the document it says, "The author shall 1 take all steps necessary to protect the copyright, its 2 3 renewals, and all rights pertaining to the work."

I'm sorry. Did you hear me?

- Do you want me to explain what work consists of?
- No. Further along in the paragraph enumerated as "2.
- 7 Copyright, " the document states, "The author shall take all
- steps necessary to protect the copyright, its renewals, and all 8
- 9 rights pertaining to the work."
- 10 Α. Yes.

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- 11 Did you, in fact, do that?
- 12 MR. EDERER: Objection.
- 13 THE COURT: Overruled.
- 14 It is up to Sterling to renew the copyrights because these are U.S. publications. It is their responsibility. 15
- Did you initiate this action to protect the copyrights? 16
- 17 MR. EDERER: Objection.
- 18 THE COURT: Sustained.
- BY MR. JANAY: 19

- 20 Q. Mr. Ward, can you explain the progeny of this lawsuit as it relates to the contract that is in front of you right now?
- 22 MR. EDERER: Objection.
- 23 THE COURT: Sustained.
- 24 This is --Α.
- 25 You can't answer that.

1 A. OK.

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2 MR. JANAY: Just the first page published to the jury.

3 | THE COURT: It is up.

MR. JANAY: OK. That is all I need.

Exhibit 25 to present to the witness?

THE COURT: You may approach.

BY MR. JANAY:

Q. Mr. Ward, I just handed you a document that's labeled

9 | Plaintiff's Exhibit 20.

10 | A. Yes.

11 THE COURT: 25, I believe, counsel.

12 MR. JANAY: I'm sorry. Exhibit 25.

13 BY MR. JANAY:

Q. Do you recognize these documents?

A. Yes.

16 | Q. Can you explain what these documents are of?

MR. EDERER: Objection, your Honor.

18 THE COURT: Overruled.

19 A. These are printouts from Sterling Publishing's website of

various scratch hangman books.

21 | Q. And those scratch hangman books, who is the author listed

22 | as of?

23 | THE COURT: Sustained. Are you offering the exhibit?

MR. JANAY: I am offering the exhibit?

25 THE COURT: Any objection.

1 MR. EDERER: Yes, your Honor.

THE COURT: Overruled. It is admitted.

(Plaintiff's Exhibit 25 received in evidence)

BY MR. JANAY:

- Q. I'm sorry. Mr. Ward, you just testified that Plaintiff's
- 6 Exhibit 25 is a printout from the Sterling website of scratch
- 7 | hangman books, correct?
- 8 | A. Yes.

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- 9 Q. Who is listed as the author of those scratch hangman books?
- 10 A. Yes, I am the author. That is what Sterling --
- THE COURT: That's all. Mr. Janay will ask you
- 12 another question.
- MR. JANAY: I would like to just publish the entirety
- 14 of Exhibit 25 to the jury.
- THE COURT: We are not going to sit here as you scroll
- 16 | through each page, so I will let you display the first page and
- 17 | the jury will get it in their deliberations later.
- 18 MR. JANAY: That's fine, your Honor.
- 19 Thank you.
- 20 BY MR. JANAY:
- 21 Q. Mr. Ward, you recognize all of these titles contained in
- 22 paragraph 25 as that of your own?
- 23 THE COURT: Mr. Janay, if you want me to display it to
- 24 | the jury, you have to put page 1 on the screen.
- MR. JANAY: Oh, I apologize, your Honor.

1 Is that OK?

2 | THE COURT: It is displayed.

3 MR. JANAY: Maybe make it a little larger? Should I

make it larger?

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THE COURT: That is up to you.

MR. JANAY: Yes, I will make it larger.

That's good.

- Q. So, Mr. Ward, you do recognize the title listed?
- 10 A. I recognize the titles that they have put on their own
- 11 | site. However, that is not the full range. There is not 40
- 12 | titles here.
- MR. JANAY: OK. I would like to present Exhibit 26 to
- 14 | the plaintiff.
- 15 THE COURT: You may approach.
- 16 | BY MR. JANAY:
- 17 | Q. Mr. Ward, I just handed you a document that is labeled
- 18 Plaintiff's Exhibit 26.
- 19 Do you recognize this document?
- 20 A. I haven't seen it before.
- 21 | Q. You have not seen that document before?
- 22 | A. I would like to know what source it came from.
- THE COURT: The next question, Mr. Janay.
- MR. JANAY: You can put that aside, Mr. Ward. You can
- 25 put it to the side.

1 THE WITNESS: Yes.

2 BY MR. JANAY:

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Q. Mr. Ward, by what source it came from, I am not following you. Are you talking about which --

THE COURT: Sustained.

Mr. Ward, do you recognize that document? Yes or no?

THE WITNESS: I do now, because it is from the Barnes & Noble site.

THE COURT: Do you recognize it?

THE WITNESS: Yes.

THE COURT: What is it? What is it?

THE WITNESS: Oh --

THE COURT: Just a general description of what it is, please, sir.

THE WITNESS: Yes, it is a general description of various hangman books.

- 18 Q. I'm sorry. It is a general description of the hangman
- 19 books?
- 20 | A. Yes.
- 21 | Q. I'm sorry. Can you specify what hangman books you're
- 22 | referring to?
- 23 A. Well, first of all, it is a copy from Barnes & Noble's
- 24 website. Barnes & Noble own Sterling.
- Now, on this page it has, "Meet the author."

	F7snwar4 Ward - direct
1	MR. EDERER: Objection.
2	THE COURT: Mr. Ward, just
3	MR. JANAY: This is being offered into evidence.
4	THE COURT: Do you know when these website printouts
5	were made?
6	Do you know when these date from?
7	THE WITNESS: Where they came from?
8	THE COURT: Where they came from, when they date from?
9	THE WITNESS: Yes.
10	It's quite simple. It's coming from the Barnes &
11	Noble
12	THE COURT: When?
13	THE WITNESS: Online website that sells my books
14	online.
15	THE COURT: When?
16	THE WITNESS: Over the years. It relates to many of
17	the titles. It is the description of what about the author
18	and many, many titles.
19	THE COURT: Any objection?
20	MR. EDERER: Yes, your Honor.
21	THE COURT: Overruled. I will allow it into evidence.
22	It is admitted.
23	(Plaintiff's Exhibit 26 received in evidence)
24	BY MR. JANAY:
25	Q. I'm sorry. Mr. Ward, this document has been admitted into

evidence. I would like you to just explain to the jury how

- 2 that document came about.
- 3 MR. EDERER: Objection, your Honor. There's no -- I'm sorry.
- 5 THE COURT: Sustained.
- 6 BY MR. JANAY:
  - Q. Mr. Ward, did you print out these documents ever?
- 8 | A. No.

- 9 Q. Mr. Ward, did you ever send these documents to anyone?
- 10 A. No. These documents are quite simple. They are written by
- 11 | Sterling. When that says --
- 12 | THE COURT: Mr. Ward, please stop.
- 13 Mr. Janay, ask your next question.
- 14 BY MR. JANAY:
- 15 | Q. Mr. Ward, you testified that this is a document on the
- 16 | Barnes & Noble website. Does it show who the author of Scratch
- 17 & Solve Hangman books are?
- 18 MR. EDERER: Objection, your Honor.
- 19 THE COURT: Overruled.
- 20 | A. Yes.
- 21 | Q. Who does it list as the author?
- 22 A. Pardon?
- 23 0. Who does it list as the author?
- 24 A. Myself.
- 25 Q. OK. And Barnes & Noble is a defendant in this action?

1 A. Purely because they own Sterling Publishing.

THE COURT: Just yes or no, Mr. Ward.

THE WITNESS: Yes.

MR. JANAY: Thank you.

I would like to publish this exhibit to the jury.

THE COURT: I will allow one page. You can pick your

page.

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MR. JANAY: The first page, your Honor.

THE COURT: All right.

MR. JANAY: I only have a few more exhibits left.

THE COURT: You have to put it to the first page if

you want me to put it on the jury's screens.

MR. JANAY: That's fine. OK.

BY MR. JANAY:

Q. So, Mr. Ward, this document you testified lists you as

16 author.

Does it say anything else related to you which was found on the defendant Barnes & Noble's website?

THE COURT: Sustained.

A. Yes.

THE COURT: The exhibit speaks for itself. Go ahead.

MR. JANAY: Yes, your Honor.

I offer Exhibit 28 to the witness, your Honor.

THE COURT: You may approach.

1 Q. Mr. Ward, I just handed you a document that's labeled

- 2 | Plaintiff's Exhibit 28. Do you recognize this document?
- 3 | A. Yes.
- 4 | Q. What is this document of?
- 5 A. It is a part printout from the copyright office
- 6 acknowledging copyright of my various scratch hangman titles in
- 7 | the U.S.
- 8 Q. Mr. Ward, did you obtain these copyrights?
- 9 | A. No.
- 10 Q. Who obtained these copyrights in your name?
- 11 A. Sterling obtained these copyrights on my behalf because
- 12 | that was what was written on the contract. They were
- dutybound, contractually bound to obtain these copyrights in my
- 14 | name.
- 15 Q. Do you recall whether Sterling said they would limit the
- 16 copyright application to anything?
- 17 MR. EDERER: Objection, your Honor.
- 18 THE COURT: Overruled.
- 19 A. There was no limitation early on --
- 20 THE COURT: Do you recall whether anyone from Sterling
- 21 | ever said the they would limit the copyright registration to
- 22 | anything. Yes or no?
- 23 THE WITNESS: No.
- 24 BY MR. JANAY:

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Q. And in your understanding what was the scope of the

1 | copyright that Sterling obtained on your behalf?

MR. EDERER: Objection, your Honor.

THE COURT: Sustained.

BY MR. JANAY:

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Q. Mr. Ward, did you believe that the copyrights obtained by

6 Sterling extended to the instructions page?

MR. EDERER: Objection.

THE COURT: Sustained.

BY MR. JANAY:

10 Q. Mr. Ward, of those 40 titles -- of the copyright

11 registrations that you have, did you contribute to the

- 12 | instructions found in the book --
- 13 A. Did I what?
- 14 | Q. Did you contribute to the instructions of the books that
- 15 | those 40 registrations are for?
- 16 A. Most definitely.
- 17 MR. EDERER: Objection, your Honor.
- 18 THE COURT: Overruled.
- 19 MR. JANAY: I didn't hear his response, your Honor.
- 20 | THE COURT: Most definitely.
- 21 MR. JANAY: Most definitely. Thank you.

I would like to publish Exhibit 28 to the jury, both

- 23 pages, your Honor.
- 24 THE COURT: It's not in evidence.
- 25 MR. JANAY: I would like to offer it in evidence.

1 | THE COURT: Any objection.

MR. EDERER: Yes, you Honor.

THE COURT: Basis?

MR. EDERER: Foundation, authentication, relevance.

THE COURT: Why don't you ask a few more questions for foundation, Mr. Janay.

MR. JANAY: OK.

BY MR. JANAY:

- Q. Mr. Ward, to your knowledge, is this a printout from a U.S. governmental website?
- 11 THE COURT: Sustained.
- 12 | A. Yes.

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- 13 THE COURT: Sustained. The jury will disregard that
- 14 answer.
- 15 BY MR. JANAY:
- 16 Q. Mr. Ward, were you responsible for the creation of this
- 17 document that is labeled Exhibit 20 -- what is it? 26, I
- 18 | believe?
- 19 THE COURT: 28.
- 20 MR. JANAY: I'm sorry. 28.
- 21 | A. Do you want me to explain what it is?
- 22 | Q. No. I want you to explain whether you are responsible for
- 23 | having created that document?
- 24 A. These are various copyright acknowledgements.
- MR. EDERER: Objection.

THE COURT: Mr. Ward, were you involved in creating the document that you have in your hand? Did you have any involvement in creating it? Yes or no?

THE WITNESS: That is a difficult question. The contract stated --

THE COURT: Mr. Ward.

MR. JANAY: Mr. Ward.

THE WITNESS: I'm answering it in my way.

THE COURT: No, Mr. Ward.

THE WITNESS: The contract states --

THE COURT: That's not the way it works. Just yes or

12 no.

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Were you involved in creating the document that you have in your hand of Plaintiff's Exhibit 28? Yes or no? Did you play any role in creating that document?

THE WITNESS: This is a government document. I couldn't create it myself. This comes from the copyright office, the U.S. copyright office.

THE COURT: All right. Next question.

- Q. Mr. Ward, have you seen that document before?
- 22 A. Yes.
- 23 | Q. Did your attorney show you that document before?
- MR. EDERER: Objection, your Honor.
- 25 THE COURT: Sustained.

1 BY MR. JANAY:

- 2 Q. You just testified that this is a document from the
- 3 copyright, from a government office?
- 4 A. From the U.S. copyright office.
  - Q. The U.S. government copyright office, yes.
- 6 How do you know that?
- 7 A. Because it's got it at the bottom.
- Q. Would someone have had to search for your name on a copyright office database?
- 10 MR. EDERER: Objection, your Honor.
- 11 A. Obviously, yes.
- 12 THE COURT: Sustained.
- 13 Q. Is it your testimony that this document represents a list
- 14 of your authored works on file with the copyright office?
- 15 | A. Yes.
- MR. EDERER: Objection, your Honor.
- 17 THE COURT: Sustained as to form.
- 18 BY MR. JANAY:
- 19 Q. Mr. Ward, is the list you're holding in your hands an
- 20 accurate list of U.S. copyrighted works in your name?
- 21 THE COURT: Sustained.
- 22 MR. JANAY: Your Honor, I would like to introduce this
- 23 | into evidence as a government document that --
- 24 THE COURT: The objection is sustained.
- 25 MR. JANAY: OK.

Q. Mr. Ward, do you recognize any of the titles found on that document?

A. Yes.

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MR. EDERER: Objection, your Honor.

THE COURT: Sustained.

6 BY MR. JANAY:

Q. Mr. Ward, did Sterling obtain the copyright registrations for 40 titles on your behalf?

THE COURT: Sustained.

A. Yes, sir.

THE COURT: Sustained.

MR. JANAY: OK.

I have no further questions regarding that document apparently. I am just going to go straight to Plaintiff's

Exhibit 32. I would like to introduce to the plaintiff.

THE COURT: You may approach.

Mr. Ward, you can put that to the side.

18 BY MR. JANAY:

Q. Mr. Ward, I just handed you a document. Can you very briefly state what that document is.

THE COURT: First, Mr. Ward, do you recognize that document?

THE WITNESS: Yes.

THE COURT: What is it?

25 THE WITNESS: An e-mail from Peter Gordon, the

F7snwar4 Ward - direct editorial director at Sterling, directly to me. 1 2 THE COURT: Who is it addressed to? 3 To you? It is addressed to you? 4 THE WITNESS: Yes. 5 THE COURT: Did you receive that e-mail? THE WITNESS: I have seep this before, yes. 6 7 THE COURT: Did you receive the e-mail? THE WITNESS: Yes. 8 9 THE COURT: What is the date of the e-mail? 10 THE WITNESS: 02/17/2005. So that would have been the 11 17th of February, 2005. 12 THE COURT: What is the general subject of the e-mail? 13 What is the general topic of the e-mail? What does it 14 relate to? 15 THE WITNESS: Hmm? THE COURT: What does the e-mail relate to? What is 16 17 the subject matter? 18 THE WITNESS: The e-mail is an answer to my previous e-mail to Peter Gordon. I asked Peter Gordon various 19

questions, and he responded to them.

THE COURT: All right.

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Your e-mail to Mr. Gordon, is that displayed on this document as well?

THE WITNESS: Yes, it's straight underneath.

THE COURT: All right.

1 Mr. Janay.

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2 MR. JANAY: Exhibit 32 is offered for evidence, your 3 Honor.

THE COURT: Any objection?

MR. EDERER: Yes, your Honor. There are multiple documents as part of the same exhibit. He hasn't identified the other documents.

THE COURT: How many pages is this document that you're offering?

MR. JANAY: I will get there. Exhibit 32 is a three-page document, your Honor.

THE COURT: Can you please lay a foundation for the entirety of the document.

- 14 | BY MR. JANAY:
- 15 Q. Mr. Ward, you testified that this was an e-mail, correct?
- 16 | A. Again?
- Q. You testified that this Plaintiff's Exhibit 32 is an e-mail?
- 19 A. It is an e-mail, yeah.
- Q. Who is the e-mail from and who is it to and is anyone copied on that e-mail?
- 22 | A. Well, what --
- 23 MR. EDERER: Objection.
- 24 A. -- documents, the e-mails they are exchanged with people.
- THE COURT: The objection is overruled.

1  $\parallel$  A. My e-mail --

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THE COURT: Mr. Ward, if there is an objection, you have to wait until there is a ruling.

THE WITNESS: Yes.

THE COURT: I will tell you what. I am going to allow the first two pages of the document in as Exhibit 32.

You may proceed.

MR. JANAY: OK.

BY MR. JANAY:

- Q. The third page of the document that you have in front of you, Mr. Ward, is that also an e-mail?
- 12 | A. Yes.
- 13 Q. Do you see who that e-mail is to and who it is from?
- 14 A. It's from myself to Peter Gordon and the response from
- 15 Peter Gordon to myself answering questions that I asked him.
- 16 | Q. I'm sorry. It's regarding questions that you asked him.

Was this e-mail from after you had already signed the contract with Sterling?

- A. I would have to have a look at the contract date.
- Q. OK. I'll just withdraw that question.

21 THE WITNESS: The contract should be somewhere handy.

THE COURT: Mr. Ward --

THE WITNESS: I think it was --

THE COURT: Mr. Ward, wait for the question, please.

THE WITNESS: Yes.

BY MR. JANAY:

- Q. Mr. Ward, were these e-mails part of the back and forth that you had with Peter Gordon concerning the creation of the scratch hangman works?
  - A. Most definitely, because they affected what work I had to supply Sterling.
  - Q. How did they affect what work you had to supply Sterling?
  - A. In New Zealand with my scratch hangman book there were a total of ten wrong answers that be would be selected before the hangman grid could be complete.

In the U.S. Peter Gordon elected that there should only be five wrong guesses -- even though he put up here six, I had to correct him about that, that there's only five, not six.

However, the main emphasis I put on of noting that he wanted to have a different style, a different format was the fact that, because I was the author as well as the owner, I had to supply answers to all the scratch hangman titles in the U.S.

So, therefore, going from ten in New Zealand down to five in the U.S. you had to come up with longer answers to compensate for shorter time that they had to get finished by the game to get home.

- Q. Thank you. Did the number of wrong guesses that a player would get affect the instructions?
- A. Yes. I bought a couple of scratch hangman books. It is a pity we can't give them to the jury for them to have a look at

to play the game to be acquainted with what we are talking about.

THE COURT: Mr. Ward, just answer the question, please.

Did the number of incorrect answers that would lead the person to get hanged affect the instructions in the book?

Yes or no?

THE WITNESS: In New Zealand they had ten chances --

THE COURT: Yes or no. Yes or no.

Did it affect the instructions in the book.

THE WITNESS: There's five wrong answers in the U.S.; ten in New Zealand.

THE COURT: Did that change affect the instructions for the book?

THE WITNESS: No.

THE COURT: OK. Mr. Janay, do you want to offer the third?

THE WITNESS: Except for the fact of course that we had to say, you know, there was less numbers. But the way to play the game was exactly the same. It didn't affect the instructions one piece.

THE COURT: Mr. Janay, did you want to offer page 3 of Exhibit 32?

MR. JANAY: I do, your Honor. I would like to lay the foundation a little bit more, if possible to avoid objection.

1 THE COURT: OK.

2 MR. JANAY: OK.

- 4 Q. Mr. Ward, did the e-mails between you and Mr. Gordon
- 5 involve different versions of the hangman game?
- 6 A. Different formats?
- 7 Q. Versions.
- 8 A. Oh, version. We say versions different.
- 9 Are you talking about the format or the answers?
- 10  $\parallel$  Q. My question was were there going to be more than one
- 11 | versions of the scratch hangman game?
- MR. EDERER: Objection.
- 13 THE COURT: Overruled.
- 14 A. Yes. Obviously it was -- they wanted that to be a series.
- 15 And they did 40 titles.
- 16 Q. And were there different instructions for different
- 17 | versions?
- 18 A. Initially, there was an instruction for the earlier books,
- 19 and then there was slightly changed for later books.
- 20 | Q. I will stop you right there. Slightly changed for later
- 21 | books. Who made those changes?
- 22 A. That was between both of us.
- 23 | O. OK.
- 24 A. They would make some changes and ask for my approval and I
- 25 would give it. And in some cases, I suggested changes and they

1 | implemented it.

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MR. JANAY: OK, yes. I would like to introduce the third page from Exhibit 32 into evidence, your Honor.

THE COURT: Any objection?

MR. EDERER: No, your Honor.

THE COURT: Admitted.

(Plaintiff's Exhibit 32 received in evidence)

BY MR. JANAY:

Q. Mr. Ward, you have testified that you contributed to the instructions of the scratch hangman books, is there anything specific that you would like the jury to know regarding your contributions?

MR. EDERER: Objection.

THE COURT: Sustained.

A. The main --

MR. JANAY: You can't answer that.

THE COURT: Sustained.

- Q. Mr. Ward, explain your contribution to the instructions of the scratch hangman books briefly, please.
- A. The initial instructions of my New Zealand books were
  amended in the manuscript. The manuscript is what I sent Peter
  Gordon and it was the basis of a contract between Sterling and
  myself where I was the publisher and the owner or the author
  and the proprietor, which means owner.

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Secondly --

THE COURT: Mr. Ward just answer the question, which is what was your contribution to the instructions of the scratch hangman books?

THE WITNESS: First of all, it was the manuscript that they edited to create the instruction page for the U.S. titles.

There were various areas where they copied exactly from my manuscript.

MR. JANAY: OK.

THE WITNESS: The one difference between my instruction page and the U.S. instruction page was the use of clip art.

They elected some clip art, whereas I suggested another style of clip art. So there was to and fro between selecting the clip art for the answer, for the wrong answer under the scratch printing, but they can't say that they selected the clip art because I approved it, even though I said to them those are alternatives.

Then later on they elected to get rid of their own clip art and have a big heavy cross as a wrong answer on the U.S. books. That was obtained specifically directly from my manuscript that I initially sent them.

Secondly, we had problems with the scratch-off printing becoming hard if they are left in the sun.

So I instructed Sterling to put a paragraph in the

1 | instruction page to reflect this, to warn the players not to

- leave the book in the sun, which they did. They complied with
- $3 \parallel my request.$

- 4 BY MR. JANAY:
- 5 Q. So you contributed significantly to the instructions,
- 6 | correct?
- 7 MR. EDERER: Objection, your Honor.
- 8 THE COURT: Sustained.
- 9 MR. JANAY: OK.
- I would like to now introduce Defense Exhibit 14,
- 11 pages 1 through 5.
- 12 | THE COURT: You are requesting permission to approach
- 13 | the witness. It is granted.
- 14 BY MR. JANAY:
- 15 | Q. Mr. Ward, do you recognize the documents in front of you?
- 16 | A. Yes.
- 17 | Q. What are they?
- 18 A. It is a printout of a title called Trivia Hangman.
- 19 | Q. Who is the listed author of Trivia Hangman?
- 20 A. The listed author is an employee of Sterling's called
- 21 | Francis Heaney.
- 22 | Q. The same Francis Heaney you testified about earlier?
- 23 | A. Yes. The one who used to create and compile my 40 U.S.
- 24 titles.
- 25 | Q. I would like to introduce Defense Exhibit 12, pages 1

F7snwar4 Ward - direct through 5? 1 2 THE COURT: 14? 3 MR. JANAY: 14, 1 through 5. 4 THE COURT: Any objection? MR. EDERER: First of all, your Honor, it's six pages. 5 6 THE COURT: He's only offering the first five. 7 Any objection? MR. JANAY: I can offer all six. 8 9 MR. EDERER: No objection. I mean, we have the book. THE COURT: He is offering the document here. 10 11 Can you look at the sixth page, Mr. Ward. 12 Mr. Ward, can you look at sixth page. 13 MR. JANAY: I'll get the sixth page. 14 I didn't think that it was relevant. 15 THE COURT: Do you recognize that page as well? 16 THE WITNESS: Yes. 17 THE COURT: What is it? 18 THE WITNESS: It is a printout of an internal page of Francis Heaney's Trivia Hangman title. 19 20 THE COURT: Defendant's Exhibit 14 is admitted. 21 (Defendant's Exhibit 14 received in evidence) 22 BY MR. JANAY: 23 Q. Mr. Ward, turning to that exhibit --24 MR. JANAY: Can we publish this to the jury, your 25 Honor?

THE COURT: Do you have it on your computer.

MR. JANAY: I do not.

THE COURT: Counsel, as a courtesy, can you call it up so that we can show it to the jury.

Defense Exhibit 14.

MR. JANAY: I believe it is page 4, the instructions on that. No, the instructions.

THE COURT: It's page 5.

MR. JANAY: 5.

Yes, this is labeled introduction. Sorry.

BY MR. JANAY:

- Q. Mr. Ward, on page 5 of the exhibit in front of you --
- 13 | A. Yes.

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- 14 | Q. -- do you recognize anything familiar? Correct?
- 15 A. That is the instruction page of Francis Heaney's Trivia
- 16 | Hangman.
- 17 | Q. Is anything in that document your work?
- 18 A. Most definitely.
- 19 | Q. Can you explain?
- A. OK. When a manuscript is sent to a publisher, the
  publisher elects the manuscript, in this case the written word
  the text, which means the instruction page.

What Francis Heaney has done is he's amended or edited
the work that was sent in the original manuscript. That is

exactly the same as an author writing up a book, sending it to

a publisher, the publisher editing it and then claiming 1 2 ownership. That is illegal. THE COURT: Mr. Ward, can you just identify what in 3 4 here is your work? That is the question. 5 THE WITNESS: This is the instruction page to the 6 Trivia Hangman. 7 THE COURT: Mr. Janay's question was can you identify 8 what you contributed to the text on this page? 9 THE WITNESS: I felt like I answered it insomuch as I 10 supplied the source of the hangman game, which came into the 11 instruction page. It developed from there. 12 THE COURT: OK. Meaning you supplied the idea or you 13 supplied the text? 14 THE WITNESS: Pardon? 15 THE COURT: You supplied the idea or you supplied the 16 text that appears on this page? 17 THE WITNESS: I supplied the source. 18 THE COURT: What does that mean? Can you elaborate? 19 THE WITNESS: The source of all the work was my 20 initial manuscript. 21 THE COURT: OK. Are there words on this page that 22 came from your manuscript? 23 THE WITNESS: Yes. 24 THE COURT: Can you identify those words?

THE WITNESS: Yes.

1 Because they edited from it my source.

THE COURT: Can you identify the words from your manuscript that appear on this page?

THE WITNESS: I don't feel that I need to be specific when the law states that you cannot edit somebody else's work.

THE COURT: The jury will disregard that last bit of the answer. It's obviously, as I told you, my role to instruct you what the law is and says.

You may proceed, Mr. Janay.

## BY MR. JANAY:

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Q. Mr. Ward, I would like to refer your attention back to what's marked as Defense Exhibit 2 for you to compare, which this is the document I believe you're referring to as your manuscript, to compare to --

THE COURT: Sustained.

MR. JANAY: I would like to refer back to Exhibit 2 to show my client.

THE COURT: If you would like to show him Exhibit 2, it is in evidence. You may show it to him.

THE WITNESS: Yes.

- Q. Mr. Ward is Defense Exhibit 2 the document that you are referring to as your manuscript?
- 24 A. Yes.
  - Q. Are there instructions on that document for how to play the

1 | hangman game?

- 2 A. Yes. There is the explanation of how to play the hangman
- 3 game of the manuscript that I sent initially to Sterling
- 4 | Publishing.
- 5 Q. Are there contents on Defense Exhibit 2 that are the same
- or similar to the contents found on Defense Exhibit 14?
- 7  $\blacksquare$  A. The message is the same.
- 8 MR. EDERER: Objection, your Honor.
- 9 THE COURT: Overruled.
- 10 | Q. What do you mean that the message is the same?
- 11 A. Because this is the source of how to play the game.
- 12 | Q. OK.
- 13 A. Publishers have got the right to edit it however they
- 14 | wish --
- 15 | THE COURT: Sustained.
- Mr. Ward, again you may not state what you believe the
- 17 | law is. You can just simply answer Mr. Janay's question.
- 18 You may proceed, Mr. Janay.
- 19 BY MR. JANAY:
- 20 | Q. Mr. Ward, the last time I'll ask: Is the content found on
- 21 Defendants' Exhibit 2 similar to the content found on defense
- 22 | Exhibit 14?
- 23 MR. EDERER: Objection.
- 24 THE COURT: Sustained.
- 25 BY MR. JANAY:

- Q. Defense Exhibit 14, which you have seen, is it your testimony that you have contributed to that?
- 3 A. Yes. Because they obtained it from my source.

MR. EDERER: Objection. Nonresponsive.

A. If they didn't know --

THE COURT: The objection is overruled. Mr. Janay move on to the next line of questioning. I think we have exhausted this one.

MR. JANAY: OK.

Defendants' Exhibit 17 is offered. I would request the same courtesy from defense counsel.

THE COURT: Mr. Janay, you have to approach the witness and take certain steps first.

14 BY MR. JANAY:

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- Q. Mr. Ward, I just handed you a document that's labeled
  Defense Exhibit 17.
- Do you have that document in front of you now?
- 18 | A. Yes.
- Q. Do you recognize that document? Can you please explain what that document is?
- 21  $\blacksquare$  A. It is the details relating to --

22 THE COURT: Mr. Ward.

23 A. Patrick Blindauer --

24 THE COURT: Can you just identify what Defense Exhibit

25 | 17 is?

F7snwar4 Ward - direct What is Defense Exhibit 17? 1 THE WITNESS: I was explaining what it is. 2 3 THE COURT: It doesn't require a whole lot of 4 explanation. 5 What is it? THE WITNESS: Yes. I know what it is. 6 7 THE COURT: What is it? THE WITNESS: It is Patrick Blindauer's edition of a 8 9 Scratch & Solve Hollywood Hangman, which is based on the 10 description of the whole series. 11 MR. EDERER: Objection. 12 THE COURT: Overruled. 13 BY MR. JANAY: 14 Q. Mr. Ward in thumbing through the pages of Defense Exhibit 17, do you see an instruction page on there? 15 THE COURT: Counsel, are you offering Defense Exhibit 16 17 17? 18 MR. JANAY: I am offering Defense Exhibit 17 into 19 evidence. 20 THE COURT: Any objection? 21 MR. EDERER: No, your Honor. 22 THE COURT: Admitted.

(Defendants' Exhibit 17 received in evidence)

MR. JANAY: I request that it be published to the

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jury, your Honor, and that defense counsel please extend the

1 courtesy.

THE COURT: With my thanks, if defense counsel could

- 3 display it, I would appreciate that.
- 4 BY MR. JANAY:
- 5 Q. Mr. Ward, in thumbing through those pages, do you come
- 6 across the instructions?
- 7 A. Yes.
- 8 | Q. And what page number is that?
- 9 A. I think it's 3. He hasn't got it on here.
- MR. JANAY: The third page of the exhibit if we could get it up.
- 12 Q. This is what you're referring to as the instructions,
- 13 | correct?
- 14 A. Pardon?
- Q. The page that starts with, "How to Play Hangman" that you
- 16 | just said is page 3, is that the instructions?
- 17 | A. Yes.
- 18 | Q. Did you create these instructions?
- 19 A. Insomuch as they have been amended from my initial
- 20 | manuscript.
- 21 MR. EDERER: Objection, your Honor.
- 22 | A. Now let's put this into perspective --
- 23 THE COURT: Overruled.
- 24 A. Nobody knew about scratch hangman. It was only from my
- 25 creation that they jumped on the bandwagon and then developed

their own themes. They sourced it from me. The source came 1 2 from the manuscript.

Q. Would you just go into the significance of the instructions that you see on Exhibit 14?

MR. EDERER: Objection.

THE COURT: Sustained.

A. The significance of the instructions for Hollywood Hangman --

THE COURT: Sustained.

THE WITNESS: OK.

BY MR. JANAY:

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Q. Mr. Ward, is there anything that you notice that is significant about the instructions contained on Defense Exhibit 17?

MR. EDERER: Objection.

THE COURT: Overruled.

A. Well, my heading was how to play hangman. I believe at the very beginning the heading's very similar. The content of the how to play Hollywood Hangman is practically the same as to how to play my scratch hangman books.

They also have a bold cross to indicate the wrong answer, which they obtained off my manuscript. But, of course, if they didn't steal the idea of --

THE COURT: Sustained.

THE WITNESS: -- my format --

1 MR. EDERER: Objection, your Honor.

THE WITNESS: -- they wouldn't have created it.

3 THE COURT: Sustained. The jury will disregard that

4 answer.

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You may ask the next question, Mr. Janay.

MR. JANAY: I would like clarification on which part is stricken.

THE COURT: The whole thing.

MR. JANAY: The whole thing?

THE COURT: Yes.

MR. JANAY: OK.

BY MR. JANAY:

- Q. Mr. Ward, just please particularize as best you can your
- 14 contributions to the instructions page found on Defense Exhibit
- 15 | 17, the Patrick Blindauer book.
- 16 A. What everybody is forgetting is there are two issues here.
- 17 One is copyright infringement. The other --

18 THE COURT: Mr. Ward.

19 MR. EDERER: Objection, your Honor.

A. -- editing.

THE COURT: Mr. Ward, just answer the question.

What were your contributions to the instructions that appear on this.

24 THE WITNESS: I am --

THE COURT: I don't want you to describe your

understanding of copyright law or your rights as you perceive them.

What were your contributions? What words on this page did you contribute to the instructions?

THE WITNESS: My contribution to this page of the instructions was my initial manuscript, which Patrick Blindauer edited to suit his own ends.

MR. JANAY: OK.

THE WITNESS: That was the source.

MR. EDERER: Objection as nonresponsive.

THE COURT: Overruled.

MR. JANAY: Thank you.

Your Honor, I would like to introduce Defense Exhibits
19 through 21.

THE COURT: Mr. Janay, again, you need to just ask permission to approach the witness, lay a foundation, and then you can offer as appropriate. But I don't want to remind you again.

19 BY MR. JANAY:

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- Q. Mr. Ward, I just handed you a stack of documents that are labeled Defense Exhibits 19, 20 and 21.
- A. Yes. I have cited all these three items before.
- 23 | O. Excuse me?

24 | THE COURT: Do you recognize those documents?

THE WITNESS: I cited to this documentation of the

1 | three titles that are in here.

- 2 | BY MR. JANAY:
- 3 | Q. You recognize those documents?
- 4 | A. Yes.

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- 5 | Q. What are those documents?
- 6 | A. The documents are an adaptation of my scratch hangman
- 7 books, three titles, by Jack Ketch, who is an unknown person.

8 MR. EDERER: Objection.

Nonresponsive, your Honor.

THE COURT: Overruled.

MR. JANAY: I'm sorry.

- 12 BY MR. JANAY:
- 13 Q. Jack Ketch you said is an unknown person. You have never
- 14 heard that name before.
- 15 A. The reason I am saying he is an unknown person is that
- 16 | there was nothing in the U.S. copyright office --
- 17 THE COURT: Sustained.
- 18 A. -- showing copyright of these books.
- 19 | THE COURT: Sustained.
- 20 BY MR. JANAY:
- 21 Q. Mr. Ward, in Exhibit 19 I would like you to flip over until
- 22 you see an instruction page.
- 23 | THE COURT: Mr. Janay, are you offering --
- 24 MR. JANAY: I'm offering 19 through 21 into evidence,
- 25 your Honor.

141 F7snwar4 Ward - direct 1 THE COURT: Any objection? MR. EDERER: No, your Honor. 2 3 THE COURT: Admitted. 4 (Defendants' Exhibits 19, 20 and 21 received in 5 evidence) A. Yes, I have seen this before. 6 7 MR. JANAY: I would like to publish this to the jury, 8 your Honor. 9 THE COURT: What is "this"? 10 MR. JANAY: Exhibit 19, Defense Exhibit 19. 11 THE COURT: With my thanks, if the defense could 12 arrange to display 19. 13 Do you want page 3? 14 MR. JANAY: Page 3, your Honor. 15 Actually -- yes. Page 3. BY MR. JANAY: 16 17 Q. Mr. Ward, if you could turn to the third page of Exhibit 19. Thank you. 18 19 Do you recognize that document? 20 Most certainly. It's the same as mine. Α. 21 The same as your what, Mr. Ward? Q. 22 Previous 40 scratch hangman titles word for word. 23

Q. Word for word. Thank you.

24 Now, if you could go to Exhibit 20 and explain to me 25 what you see on the cover and then on the instruction page.

A. Yes. There are three scratch hangman titles here by Jack

Ketch, which were part of the series of more scratch hangman

3 titles that they intended to publish in the future.

THE COURT: Sustained.

A. The instruction page --

THE COURT: Mr. Ward, just answer the question.

Look at Defense Exhibit 20. Do you recognize what

Defense Exhibit 20 is?

THE WITNESS: Yes.

THE COURT: What is it?

11 THE WITNESS: It is the instruction pages for the

12 three subsequent books. I can name the books if you like,

13 | Science Hangman, Spelling Bee Hangman and Geography Hangman.

14 BY MR. JANAY:

- Q. Are all those instructions identical?
- 16 A. Identical to what? To each other?
- 17 | Q. Yes.

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- 18 A. All the instruction pages on these three titles are
- 19 identical.
- 20 | Q. OK. And you testified earlier -- what was your level of
- 21 contribution -- or what, if any, was your contribution to those
- 22 | instruction pages?
- 23 A. Harping back to the original manuscript, Sterling created
- 24 | the instruction page --
- 25 THE COURT: Mr. Ward --

- 1 A. -- from my manuscript. These instruction pages --
- 2 MR. EDERER: Objection, your Honor.
- 3 A. -- are exactly the same word for word that were used in my
- 4 scratch hangman title.
- 5 MR. JANAY: OK. Thank you. That is all regarding
- 6 | these. Then on to my last exhibit.
- 7 BY MR. JANAY:
  - Q. Mr. Ward, I just handed you a document.
- 9 | A. Yes.

- 10 | Q. Do you recognize this document?
- 11 | A. Yes.
- 12 | THE COURT: Counsel, what is it marked?
- 13 MR. JANAY: It is Plaintiff's Exhibit 33, your Honor.
- 14 BY MR. JANAY:
- 15 | Q. Mr. Ward, turning to the covers of the books in Plaintiff's
- 16 Exhibit 33, which books are these?
- 17 A. The two titles that are shown here, the first one is Tough
- 18 | Hangman for Your Backpack, which is one of my titles that I am
- 19 | the owner of. The second one is of Science Hangman of the
- 20 Mysterious Jack Ketch.
- 21 MR. JANAY: I would like to publish this to the jury,
- 22 your Honor.
- 23 | THE COURT: It is not in evidence.
- 24 MR. JANAY: Introduce it into evidence, your Honor.
- 25 | THE COURT: Any objection?

1 MR. EDERER: Yes, your Honor.

THE COURT: Basis?

MR. EDERER: Foundation. Authentication.

THE COURT: Overruled. I will allow it. It is

admitted.

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(Plaintiff's Exhibit 33 received in evidence)

MR. JANAY: OK. Can the jury see it?

THE COURT: If you are requesting permission to

publish on the screen, it is granted.

10 BY MR. JANAY:

Q. Again, Mr. Ward, the covers you see here, can you explain them real quick now that the jury can see them.

THE COURT: I think they speak for themselves.

A. These --

THE COURT: Next question.

MR. JANAY: All right.

Turning to the next page, Which, too, is being offered for publication to the jury.

THE COURT: Granted.

- Q. Do you recognize what the next page on that exhibit is?
- 22 A. Yes.
- 23 | 0. What is it?
- 24 A. The top page is the instructions of one of my scratch
- 25 | hangman books.

The bottom instruction page is a plagiarized version --

MR. EDERER: Objection, your Honor.

THE COURT: Sustained.

A. -- of my --

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THE COURT: Sustained. The jury will disregard.

- A. -- scratch hangman book, word for word.
- Q. I'm sorry. So is it your testimony that there is an identical copy of the instructions?

MR. EDERER: Objection.

THE COURT: Sustained.

A. It is identical.

THE COURT: Mr. Ward.

A. Every single word.

THE COURT: Mr. Ward, if I sustain an objection, you don't answer the question.

THE WITNESS: OK. I didn't hear that. I'm sorry.

THE COURT: What is the page displayed at the bottom of the page that you are looking at?

What is that from?

THE WITNESS: The top instruction page is from Tough Hangman for Your Backpack, which is one of my titles. The second instruction page at bottom of the page is for the Jack Ketch title, Science Hangman.

THE COURT: Thank you.

1 THE WITNESS: I have a --

THE COURT: Let's leave it there.

Next question.

BY MR. JANAY:

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- Q. Mr. Ward, for your Tough Hangman title, with those
- 6 instructions, did you ever give the defendant permission to use
- 7 | the instructions on the later book?
- 8 A. I don't even know who --
  - MR. EDERER: Objection.
- 10 A. -- the defendant is.
- 11 THE COURT: Sustained.
- 12 A. Jack Ketch is a mysterious name.
- 13 | THE COURT: I sustained the objection.
- 14 You may proceed.
- 15 BY MR. JANAY:
- 16 Q. Mr. Ward, it is your testimony -- or please clarify for the
- 17 | jury whether it is your testimony that you are the author and
- 18 creator of these instructions --
- 19 MR. EDERER: Objection, your Honor.
- 20 | O. -- on Exhibit 32.
- 21 THE COURT: The objection is overruled.
- 22 A. I am the author and proprietor.
- 23 | THE COURT: Ladies and gentlemen, I am going to
- 24 | interrupt for a moment. Some of the terms that Mr. Ward is
- 25 using, "author," those have colloquial meanings. Obviously,

you might use the word in everyday speech if someone writes something or the like.

It also has a technical meaning under the copyright law which I will be instructing you about later. One of the questions that you may be asked to answer in this case is whether in fact Mr. Ward owns the copyright at issue, owns a copyright with respect to the works that are at issue in this case.

That is going to be your decision to make based on the evidence that you have seen and heard here. So while he's using some words like "proprietor," "owner," "author" and the like, and allowing him to do that, you should understand that it ultimately your decision to make whether he actually does own any copyright with respect to the works at issue.

You may proceed, Mr. Janay.

BY MR. JANAY:

- Q. Mr. Ward, to the best of your recollection, the instructions to the Tough Hangman book contained in Exhibit 33, what was the date of their creation, or the date of the copyright registration, rather?
- A. It's a pity we can't have the schedule back again -MR. EDERER: Objection, your Honor.
- 23 A. -- because it is spelled out on that.

24 THE COURT: The objection is overruled.

Just, do you know the date of the copyright

1 | registration with respect to that work?

THE WITNESS: Not offhand.

3 BY MR. JANAY:

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- 4 Q. Mr. Ward, do you know if it was before or after the date of
- 5 | Jack Ketch's Science Hangman?
- 6 A. Before.
  - Q. OK. Thank you.

Mr. Ward, my final question.

I would just like to give, generally ask you if there is anything else you would like to say regarding your creation of the instructions to the scratch hangman books.

MR. EDERER: Objection.

THE COURT: Sustained.

MR. JANAY: OK.

- 15 | A. I --
- 16 Q. You can't answer that.
- 17 | A. OK.
- 18 Q. Looking back at Exhibit 33 and the instruction page in
- 19 particular, I would like you to simply explain your involvement
- 20 | in the creation of both of those works.
- 21 THE COURT: Sustained. Asked and answered.
- 22 | A. The contract --
- 23 THE COURT: Sustained.
- 24 | Q. Mr. Ward, is there anything else you would like to add
- 25 | regarding --

1 THE COURT: Sustained.

Q. -- contribution to the instructions?

THE COURT: Sustained.

MR. JANAY: Asked and answered?

THE COURT: Sustained.

MR. JANAY: OK. I have no further questions, your

Honor.

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THE COURT: Cross-examination.

THE WITNESS: Step down?

THE COURT: No, you stay there.

MR. EDERER: Your Honor, may I just move the podium

back so that I can refer to my exhibits?

THE COURT: You may, although if you could make sure

14 you speak loudly clearly and directly at Mr. Ward to help

ensure that he hears you, that would be helpful.

16 CROSS EXAMINATION

17 BY MR. EDERER:

Q. Good afternoon, Mr. Ward.

19 You testified that you published a number of hangman

20 books in New Zealand before working with Sterling, correct?

A. Yes.

22 | Q. When you first approached Sterling about the possibility of

publishing hangman books in the U.S., you sent them a letter

24 | with what you characterized earlier as your manuscript,

25 | correct?

A. The manuscript came later.

MR. EDERER: Your Honor, it may be helpful if we brought our defense exhibit book --

THE COURT: That's fine.

MR. EDERER: -- up to Mr. Ward so we don't have to hand them individually.

THE COURT: You can certainly try it that way.

MR. EDERER: We will give it a try.

THE COURT: Let's give it a shot.

Mr. Ward, just wait until counsel asks you to turn to something in there and then you may do so. But for now just hold on.

- 13 BY MR. EDERER:
- 14 Q. Mr. Ward, if you turn to Exhibit D-2 in your binder. Tab
- 15 | 2.

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- 16 A. No. 2?
- 17 | Q. No. 2.
- I believe this document you testified earlier is the initial proposal letter that you sent to Sterling back in 2004, correct?
- 21 A. Correct.
- 22 MR. EDERER: I believe D-2 is in evidence, your Honor.
- 23 | THE COURT: It is.
- 24 BY MR. EDERER:
  - Q. This letter has attached to it some pages from one of your

1 New Zealand books, correct?

A. Yes.

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- 3 Q. If you turn to the third page of the exhibit, that is a
- 4 page that is an excerpt from one of your New Zealand hangman
- 5 | books, is that correct?
- 6 A. No.
- 7 | Q. That is not correct?
  - A. I said samples of the format are enclosed.
    - Q. These pages that are attached to this letter were not pages that you used in any of your New Zealand books?
- 11 A. You are trying to twist things here.
  - MR. EDERER: Sorry, your Honor.
- 13 THE COURT: Do you want this -- hold on Mr. Ward.
- Do you want it published to the jury?
- 15 MR. EDERER: Yes.
- 16 | THE COURT: Just make sure you ask so that I know.
- MR. EDERER: OK. I apologize, your Honor.
- 18 | THE COURT: All right. It may be published.
- 19 Mr. Ward, if you could answer that last question,
- 20 please.
- 21 | Q. The question I believe, Mr. Ward, was whether or not what
- 22 | we see on the third page of this exhibit are anything that was
- 23 | taken from any of your New Zealand hangman books?
- 24 A. Yes.
- 25 Q. OK.

- 1 A. It was some stuff. Not all of it.
- 2 Q. OK. But some of it, right?
- 3 A. Not the instruction page.
- Q. OK. The instruction page was something that you created to
- 5 send to Sterling, is that right?
- 6 A. Yes. The instruction page for my New Zealand books, I can
- 7 show the jury. I've gotten these here in a book here.
- 8 Q. My question, Mr. Ward, is what is the instruction page that
- 9 we see on this exhibit? Where did that come from?
- 10 | A. Me.
- 11 Q. OK. So you prepared that, correct?
- 12 A. I was the author.
- 13 Q. Is that what you were referring to in your earlier
- 14 | testimony as your manuscript?
- 15 A. I was the author of the instruction page that I supplied
- 16 Sterling of the manuscript.
- 17 THE COURT: Mr. Ward, is this document what you were
- 18 referring to as your manuscript?
- 19 THE WITNESS: The manuscript is the initial offer I
- 20 | made to Sterling combining the instruction page, the format,
- 21 | and the letter from my New Zealand distributor.
- 22 | Q. OK. Mr. Ward, did you --
- 23 | A. I was --
- 24 | Q. Did you write the instructions that we see on the third
- 25 page of this exhibit. Did you write these instructions?

- 1 | A. Yes.
- 2 Q. OK. Now, a few months later you entered into your first
- 3 | publishing agreement with Sterling, correct?
- 4 A. Yes.
- 5 Q. Then before publishing any hangman books in the U.S.,
- 6 Sterling put together proofs of the hangman books that they
- 7 | were going to publish under your name, is that right?
- 8 A. For my approval.
- 9 Q. My question is, did Sterling put together proofs of the
- 10 | hangman books they were going to publish under your name? Yes
- 11 | or no?
- 12 | A. Yes.
- 13 Q. OK. Can you turn to tab 5 of your binder.
- 14 A. Tab 5.
- 15 Q. This is a document that's been marked for identification as
- 16 Defendants' Trial Exhibit 5.
- Do you have that?
- 18 | A. Yes.
- 19 Q. Can you identify the first page of that exhibit?
- 20 THE COURT: Mr. Ederer, since you are permitted to
- 21 | lead on cross-examination, maybe you could ask the question in
- 22 | a different manner.
- MR. EDERER: Sure. I will do that, your Honor.
- 24 BY MR. EDERER:
- 25 | Q. Mr. Ward, is it not the case that the first page of that

1 exhibit is an e-mail from Mr. John Woodside of Sterling to you

- 2 on February 16, 2005?
- 3 | A. Yes.
- 4 Q. Is that right?
- 5 A. Yes.
- 6 Q. You recall receiving that e-mail?
- 7 | A. Yes.
- 8 | Q. Attached to that e-mail are four PDF attachments, correct?
- 9 A. Yes.
- 10 | Q. And the four PDF attachments are the proofs of the first
- 11 | four hangman books that Sterling was proposing to put out under
- 12 | your name, correct?
- 13 A. Yes.
- MR. EDERER: Your Honor, move admission of Defendants'
- 15 D-5.
- 16 THE COURT: Any objection?
- 17 | MR. JANAY: No, your Honor.
- 18 THE COURT: Admitted.
- 19 | (Defendants' Exhibit 5 received in evidence)
- 20 BY MR. EDERER:
- 21 Q. Mr. Ward, later on these proofs became the first four
- 22 | hangman books that Sterling published under your name, correct?
- 23 | A. Yes.
- 24 | Q. Now let's take a look at the proofs that Mr. Woodside sent
- 25 you back in February of 2005.

So let's look at the page, if you look at the lower right-hand corner it's No. 2355.

- That's the instruction page?
- It's the instruction -- it's the cover page for Q. Yes. Scratch & Solve Hangman 1, the proof of that book.
- Α. Yes.

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Do you have that? Q.

THE COURT: Let me interrupt for one moment.

Ladies and gentlemen, what Mr. Ederer is referring to is a number on the bottom corner there. It says D-E-F-S and then there are some numbers after that. It also says on the other side confidential.

That's something called a Bates stamp. Basically it's something that is attached to the document when a case is in court, just to assist the parties and the Court for that matter in keeping track of documents and identifying it.

So that's something that is affixed after the fact. It is not original.

With that proviso, Mr. Ederer may refer to it just for everybody's convenience.

MR. EDERER: Thank you, your Honor.

May I show the jury that page of the exhibit?

THE COURT: You may.

MR. EDERER: Can we put it up.

Thank you.

- 1 BY MR. EDERER:
- Q. Mr. Ward there was the proof that Mr. Woodside sent you of
- 3 | the first page of what was going to be Scratch & Solve Hangman
- 4 No. 1 back in 2005, correct?
- 5 A. This is the Scratch & Solve Hangman No. 1, Mike Ward.
- $6 \parallel Q$ . Right.
- 7 A. Is that the page you're referring to?
- 8 Q. Yes. If you turn to the next page, the page that has the
- 9 No. 2356 at the bottom, that is the proof of the instructions
- 10 page on the right-hand side?
- 11 | A. Yes.
- 12 | Q. For what later became Scratch & Solve Hangman No. 1,
- 13 | correct?
- 14 A. Yes.
- 15  $\parallel$  Q. So that was the proof that Mr. Woodside sent you of the
- 16 instructions page that Sterling had put together, right?
- 17 | A. No.
- 18 | Q. Sterling didn't put that together?
- 19 A. You are twisting the answer.
- 20 | O. OK.
- 21 A. What I'm saying --
- 22 | Q. Mr. Ward.
- 23 | A. I am answering your question. I'm answering your question.
- 24 | Q. Mr. Ward, please.
- 25 A. Please, give me the courtesy to answer your question.

1 | Q. Mr. Ward.

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THE COURT: Mr. Ward.

MR. EDERER: I'm sorry, your Honor.

THE COURT: Counsel and Mr. Ward, let me explain how this works. He gets to ask you questions, and they can be questions --

THE WITNESS: Do I get to answer?

THE COURT: They can be questions that ask for a yes or a no answer, in which case it you give a yes or no answer.

If it requires clarification, your lawyer will have an opportunity to get up afterwards and ask additional questions.

You may then have an opportunity to explain, but you must listen to the question and answer the question.

So the question is, is this -- Mr. Ederer, why don't you ask the question again.

BY MR. EDERER:

- Q. Mr. Ward, are you looking at right-hand side of page 2356, the instructions from the proof of the first Scratch & Solve Hangman book that was sent to you by Sterling? Are you looking
- 20 at that right now?
  - A. Yes. These were sent to me by Sterling.
- Q. Did you write the words that appear on that instruction page? Yes or no?
- 24 A. I am not going to answer yes or no to your questions.

MR. EDERER: Your Honor, may I please have an answer.

A. This is something like, Have you stopped hitting your wife yet?

Whether it is yes or no, it is completely misleading. I would rather give a correct, honest answer to your questions because you are twisting things. Things are twisted in a certain way.

MR. EDERER: Your Honor, it is a simple question.

THE WITNESS: It makes the answer convoluted.

THE COURT: Mr. Ward, did you write any of the words that appear on that page? Yes or no?

THE WITNESS: The majority of them I did.

THE COURT: Thank you.

BY MR. EDERER:

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Q. Which words on that page did you write? I will withdraw that question.

Can you point me to a document, Mr. Ward, that shows that you wrote the words that appear on that page? What document can you point me to?

- A. The manuscript.
- 20 Q. So the manuscript is the document you were referring to 21 earlier as part --
- 22 A. The manuscript.
- 23  $\mathbb{Q}$ . As D-2, correct?
- 24 A. The manuscript is called the original offer plus format.
- 25 THE COURT: Let me just clarify.

F7snwar4 Ward - cross 1 When you were referring to the manuscript, are you 2 referring to the document that is in evidence as Defense 3 Exhibit 2. 4 THE WITNESS: Yes. 5 THE COURT: Yes or no? 6 THE WITNESS: Yes, yes. It's listed as Sterling's 7 offer plus format. 8 THE COURT: Yes or no? 9 THE WITNESS: Yes. 10

THE COURT: Is that what you are referring to as the manuscript, Defense Exhibit 2?

THE WITNESS: Yes.

THE COURT: Thank you.

MR. EDERER: Your Honor, if I could, we have a demonstrative that shows the instructions page from the manuscript, Defense Exhibit 2, and the instructions page that we are looking at from Defense Exhibit 5.

Can we put them side by side?

THE COURT: Are you proposing to ask the question to Mr. Ward?

 $$\operatorname{Mr}.$$  EDERER: Yes. I would like to show that to  ${\operatorname{Mr}.}$  Ward.

THE COURT: All right.

BY MR. EDERER:

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Q. Mr. Ward, you have on your screen on the left-hand side the

1 | instructions from the manuscript that you submitted to

- 2 | Sterling, correct?
- 3 A. I can't confirm that until I have a look at the manuscript.
- 4 | Q. Take your time, look at Exhibit D-2 and tell me --
- 5 | A. Your --
- 6 Q. -- whether the approved instructions --
- 7 A. You are confusing --
- 8 Q. Mr. Ward, please.
- 9 THE COURT: Mr. Ward.
- 10 | A. -- the New Zealand book --
- 11 THE COURT: You have to wait until Mr. Ederer finishes
  12 his question before you start speaking.
- OK. Mr. Ederer, would you like this displayed to the jury?
- MR. EDERER: Yes, please, your Honor.
- 16 THE COURT: Granted.
- 17 | Q. Mr. Ward --
- 18 MR. EDERER: I'm sorry, your Honor.
- 19 THE COURT: Mr. Ward, why don't you look at Defense
- 20 Exhibit 2 in the binder.
- 21 | THE WITNESS: Yes. Uh-huh. Here we are.
- 22 | THE COURT: Is what is displayed on the left side of
- 23 | the screen the same as what is on the page you are looking at
- 24 | from Defense Exhibit 2?
- 25 THE WITNESS: I'm --

1 | THE COURT: Yes or no?

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THE WITNESS: I am getting a bit suspicious of what you're bringing out.

THE COURT: Mr. Ward.

THE WITNESS: There's --

THE COURT: There is a simple question. You have looked at the instructions that are included in Defense Exhibit 2. You are looking at what is on the left side of the screen.

Are those the same?

THE WITNESS: I can't answer that. This left-hand side screen is different. It says Ward's New Zealand book.

THE COURT: All right. Disregarding the blue label on the top.

THE WITNESS: Yes. If I disregard that, because the manuscript was different from the books.

THE COURT: Understood?

THE WITNESS: So the instruction on the left-hand side is the same as my manuscript.

BY MR. EDERER:

- Q. Is the instruction on the right-hand side the same as appears in Exhibit D-5, which was the proof that was sent to you by Sterling?
- 23 | A. Yes.
  - Q. Is it your testimony, sir, that there are any of the words that are on the left-hand of that slide that are the same as

the words on the right-hand side of that slide? If that's the case show me which ones they are?

A. This proof of Scratch & Solve Hangman 1 was not the final instruction page for the books.

THE COURT: Mr. Ward, answer the question. Counsel is asking you about the page on the right-hand side.

THE WITNESS: I have to say no.

THE COURT: Thank you.

Mr. Ederer, we are going to end there for today.

MR. EDERER: Thank you, your Honor.

THE COURT: Because it's 1 minute after 5 and I like to honor my promises.

Ladies and gentlemen, we are going to stop for the day.

As I mentioned to you earlier, tomorrow we are just going to sit in the morning, so we will finish at noon and we'll just take one break in the morning and get as much done as we can.

I would ask you to please, please, please be here promptly by 9 so that we can start exactly on time at 9:15. Again, I will have some breakfast for you as well as coffee and.

I also remind you that we can't start until all eight of you are here, so please don't inconvenience one another and please get here on time.

Is this a question about the schedule sir?

JUROR NO. 3: Yes.

What is the earliest we can get here? When will the jury room be open?

THE COURT: That is a good question. Hang on.

My deputy advises me 8 a.m.

THE WITNESS: OK.

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THE COURT: She is in charge of that part.

JUROR NO. 3: OK.

THE COURT: If you have questions of that sort,

Ms. Barnes will escort you to the jury room in a moment. You can ask her.

I have two reminders for you you are probably already familiar with.

Number one, keep an open mind. You have heard some of the evidence in this case but not all of it, and you should continue to keep an open mind.

Number two, please do not discuss or communicate about the case with anyone. I just remind you, you can tell friends family, employer, that you are a juror in a civil case, but please don't tell them anything beyond that.

With that, I wish you a very pleasant evening. You can leave your jury books in the jury room where they will be secured, and we will see you tomorrow morning promptly at 9:15.

Thank you.

1 (Jury not present) 2 THE COURT: You may be seated. 3 Mr. Ward, you may step down. 4 You may step down. 5 THE WITNESS: OK. 6 THE COURT: All right. 7 Anything we need to discuss? 8 Mr. Janay? 9 MR. JANAY: No, your Honor. 10 THE COURT: Mr. Ederer? 11 MR. EDERER: No, your Honor. 12 THE COURT: All right. 13 Please be here no later than 9 o'clock. If there is 14 anything that we need to discuss before the jury comes out, you 15 can tell Ms. Barnes or Ms. Atkins at that time and I will come immediately down and we can address it so that we can start 16 17 promptly at 9:15. 18 Obviously Mr. Ward will need to be here to take the 19 stand, and you should presumably have your next witnesses ready 20 as well. 21 I wish you a pleasant evening, and we will see you 22 tomorrow morning. Thank you. 23 MR. JANAY: Can we leave the books here? 24 THE COURT: You may not because I have -- you may

actually. I don't have any other matters this evening.

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                                 Ward - cross
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                So that's fine.
                (Adjourned to Wednesday, July 29, 2015, at 9 o'clock
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1	INDEX OF EXAMINATION
2	Examination of: Page
3	MIKE WARD
4	Direct By Mr. Janay
5	Cross By Mr. Ederer 149
6	PLAINTIFF EXHIBITS
7	Exhibit No. Received
8	3
9	4
10	6
11	5
12	8
13	25
14	26
15	32
16	33
17	DEFENDANT EXHIBITS
18	Exhibit No. Received
19	2
20	14
21	17
22	19, 20 and 21
23	5
24	
25	